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SURINAME

April 2024

FIFTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR MODIFICATION OF PERFORMANCE CRITERIA, WAIVERS OF NONOBSERVANCE OF A PERFORMANCE CRITERION, AND FINANCING ASSURANCES REVIEW—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR SURINAME

In the context of the Fifth Review Under the Extended Arrangement Under the Extended Fund Facility, Requests for Modification of Performance Criteria, Waivers of Nonobservance of a Performance Criterion, and Financing Assurances Review, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on March 20, 2024, following discussions that ended on February 10, 2024, with the officials of Suriname on economic developments and policies underpinning the IMF arrangement under the Extended Fund Facility. Based on information available at the time of these discussions, the staff report was completed on March 6, 2024.
- A **Staff Supplement** updating information on recent developments.
- A **Statement by the Executive Director** for Suriname.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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Washington, D.C.

IMF Executive Board Completes Fifth Review Under the Extended Fund Facility Arrangement for Suriname

FOR IMMEDIATE RELEASE

- The IMF Executive Board completed the fifth review under the Extended Fund Facility (EFF) arrangement for Suriname, allowing for an immediate purchase equivalent to SDR 46.7 million (about USD 62 million) of which SDR 19.1 million or about USD 25 million would be for budget support.
- The authorities' continued commitment to fiscal discipline and macroeconomic stability is paying off. The economy is growing, inflation is on a steady downward trend, and investor confidence is returning.
- The authorities' near-term priority is to maintain fiscal discipline, while ensuring that the poor and vulnerable are protected, and persevere with the structural reforms to strengthen institutions and improve governance.

Washington, DC – March 20, 2024: The Executive Board of the International Monetary Fund (IMF) completed the fifth review under the Extended Fund Facility (EFF) arrangement for Suriname and granted a waiver for nonobservance of a performance criterion. The completion of the review allows the authorities to draw the equivalent of SDR 46.7 million (about USD 62 million), bringing total disbursement to SDR 243.7 million (about USD 323 million).

Suriname's EFF arrangement was approved by the Executive Board on December 22, 2021 (see Press Release No. 21/400). Since then, Suriname has been steadily implementing an ambitious economic reform agenda aimed at restoring fiscal and debt sustainability through fiscal consolidation and debt restructuring, protecting the vulnerable by expanding social programs, upgrading the monetary and exchange rate policy framework, addressing the financial sector's vulnerabilities, and advancing the anti-corruption and governance agenda.

Following the Executive Board discussion on Suriname, Mr. Kenji Okamura, Deputy Managing Director, and Acting Chair, issued the following statement:

"The authorities' commitment to fiscal discipline and macroeconomic stabilization under the EFF-supported program is paying off. The economy is growing, inflation is on a steady downward trend, and investor confidence is improving. Near-term downside risks highlight the importance of maintaining the reform momentum to secure hard-won gains.

"The authorities' determination to carry out politically challenging reforms is commendable. All quantitative performance criteria for this review were met, and structural reforms are proceeding, albeit with some delays.

“The near-term priority is to preserve fiscal discipline to put public debt on a firmly downward path and build resilience to future shocks. The authorities’ commitment to removing unregistered and chronically absent workers from the public payroll will help create fiscal space for a more meaningful wage increase for productive civil servants. Gradually phasing out electricity subsidies will help finance higher social assistance spending and channel more resources toward growth-enhancing investment. Ensuring the efficient and effective allocation of social spending remains paramount. Stronger commitment controls to prevent the accumulation of supplier arrears is also a priority.

“Noteworthy progress has been made with debt restructuring. Bilateral agreements with all official creditors have been completed and the debt exchange with private external bondholders has been finalized. Domestic debts to the central bank and commercial banks have been restructured. The priority is to promptly clear domestic debt arrears.

“Monetary policy is supporting disinflation. The authorities’ demonstrated commitment to flexible, market-determined exchange rate is helping support accumulation of international reserves. The recent approval of recapitalization plans of banks with capital shortages and the governance framework for the state-owned banks are important steps toward addressing banking sector vulnerabilities. Prompt finalization of the central bank recapitalization plan will help further strengthen its operational independence and financial autonomy.

“The authorities should persevere with their ambitious structural reform agenda to strengthen institutions, governance, and data quality, including with continued capacity development support from the Fund and other development partners.’’

INTERNATIONAL MONETARY FUND

SURINAME

March 6, 2024

FIFTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR MODIFICATION OF PERFORMANCE CRITERIA, WAIVERS OF NONOBSERVANCE OF A PERFORMANCE CRITERION, AND FINANCING ASSURANCES REVIEW

EXECUTIVE SUMMARY

Context. The authorities' commitment to fiscal discipline and macroeconomic stability is paying off. The economy is growing, inflation is on a steady downward trend, investor confidence is improving, donor support is increasing, and S&P has upgraded Suriname's credit rating. A debt restructuring agreement with EXIM China has been signed by both parties.

Program implementation. All quantitative performance criteria for this review were met and supply side and institutional reforms are moving ahead, albeit with delays. The indicative target on social spending was, however, missed.

Policy outlook. Monetary and fiscal restraint are expected to continue supporting disinflation and a reduction in the public debt to GDP. Efforts are being made to strengthen tax administration, increase spending efficiency and phase out untargeted subsidies, increase social assistance spending, improve governance, address corruption vulnerabilities, repay and prevent accumulation of domestic arrears, and bolster financial sector resilience.

Approved By
Nigel Chalk (WHD) and Bergljot Barkbu (SPR)

Discussions were held in Paramaribo and via video conferences during January 29-February 10, 2024. The mission team comprised Anastasia Guscina (head), Olusegun Akanbi, Atif Chaudry (all WHD), Simon Naitram (FAD), David Robinson (LEG), Yesim Aydin (MCM), Marijn Bolhuis (SPR), Charles Amo-Yartey (Resident Representative) and Ansjela Bhagwandin (Resident Representative Office). Karel Eckhorst (OED) participated in the discussions. The team met with the President, the Minister of Finance and Planning, the Minister of Justice and Police, the Minister of Natural Resources, the Minister of Social Affairs and Housing, the Minister of Home Affairs, the Minister of Spatial Planning and Environment, the Minister of Labor, the Central Bank Governor, members of parliament, other senior government officials, representatives of the private sector, and development partners.

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CONTEXT

1. **The authorities are committed to fiscal discipline.** Despite a very challenging socio-political environment, the authorities have been able to implement difficult reforms, including eliminating fuel subsidies, phasing out electricity, water, and gas subsidies, expanding the VAT base, and containing the public wage bill.

2. **Economic outcomes are steadily improving.**

- Growth is expected to have reached 2.1 percent in 2023 with a notable rebound in the second half of the year (led by mining, agriculture, accommodation, construction, and food services). Growth is expected to recover to around 3 percent in 2024 although real activity is expected to remain below its pre-pandemic level for the next several years.

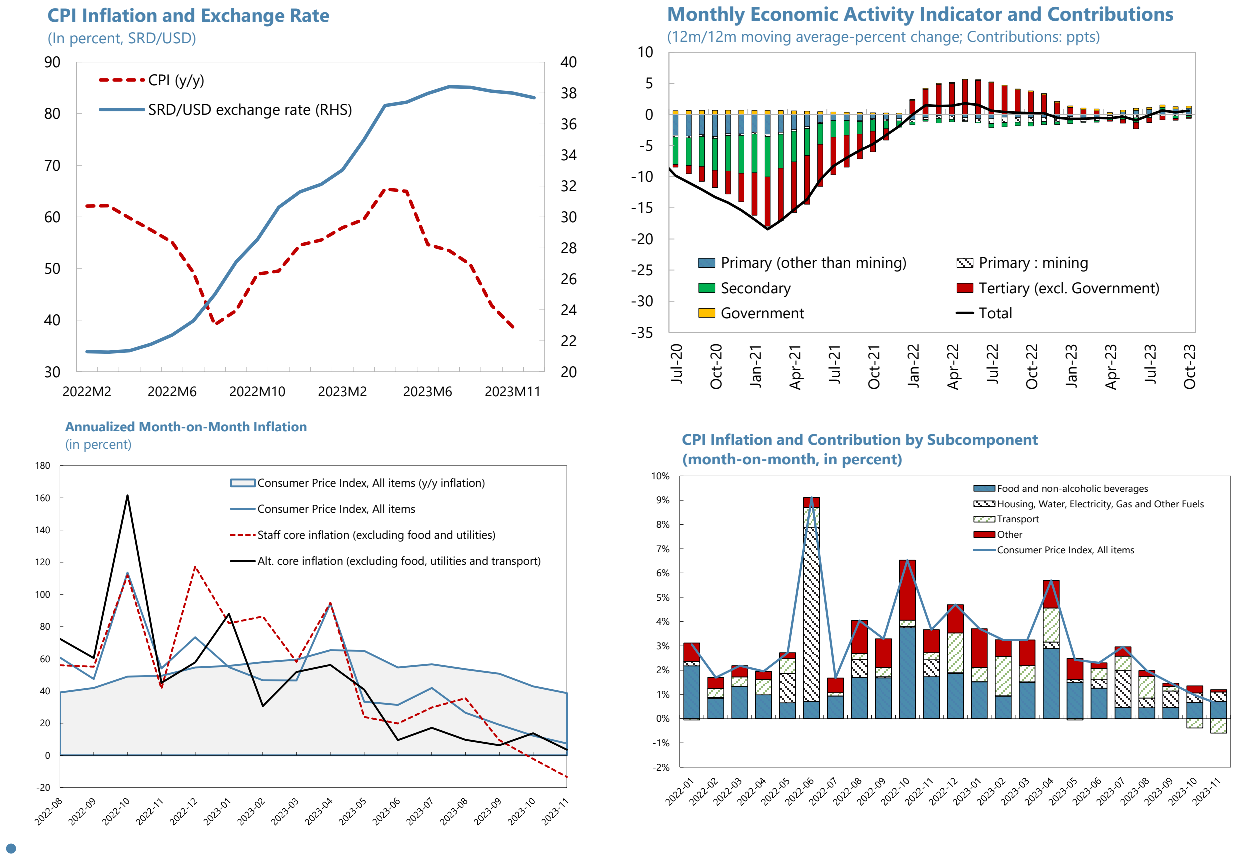
- Headline inflation has fallen to 29 percent yoy in January despite price rises linked to the scaling back of a range of subsidies. Inflation is expected to continue on a downward path to 14 percent y/y by end-2024.

- Pressure on the SRD/USD exchange rate has eased, and the currency has appreciated modestly since May 2023. The real effective exchange rate is expected to appreciate by around 12 percent during the course of 2024.

- Usable international reserves now stand at close to 6 months of imports.

- Financial sector vulnerabilities are being steadily addressed with a particular focus on those banks with high NPLs and loan losses and with low levels of liquidity and capital.

Suriname: Real Sector Developments

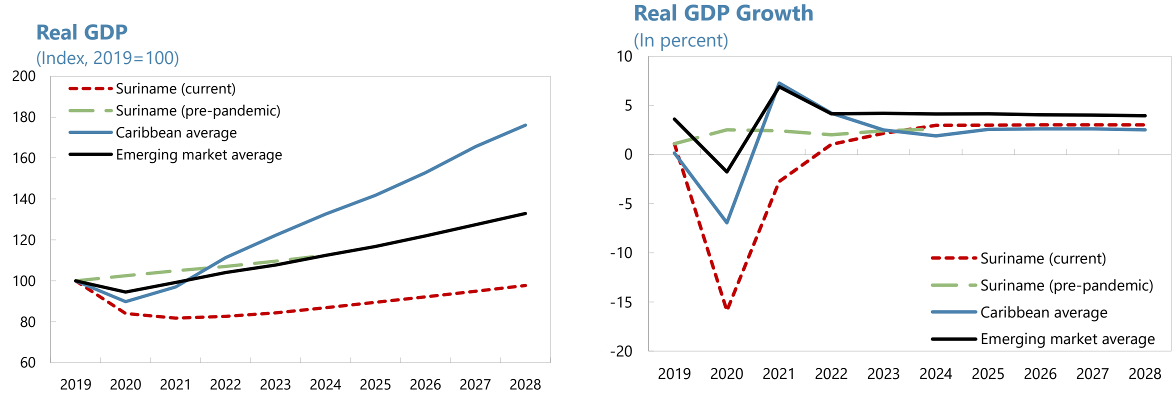


Sources: CBvS, General Bureau of Statistics, and IMF staff calculations.

3. There are important downside risks to the near-term outlook. Policy implementation challenges are the foremost risk, particularly if social and political pressures in the run-up to the election were to undermine the authorities' ability to implement their reform plan. Ongoing efforts to increase spending on social protection programs, improve governance and tackle corruption, and raise real wages for registered public sector workers can help mitigate this risk. The materialization of financial stability risks in the banks could create deposit outflows and trigger systemic instability. Finally, weak capacity poses a generalized risk to policy implementation. The main external risk arises from a worsening in the terms of trade (notably from materially higher oil prices).

4. Over the medium term there are significant potential upsides. These arise from the future development of large new oil fields. While no final investment decision has yet been made, such investments have the potential to boost growth and employment, raise living standards, increase export and fiscal revenues, strengthen the balance of payments, and improve the debt dynamics (Box 1).

Suriname: Real GDP and GDP Growth 1/



Sources: General Bureau of Statistics and IMF staff estimates.

1/ Caribbean and emerging market average excludes Suriname; 2023-24 values are based on IMF WEO projections.

PROGRAM PERFORMANCE

5. **Program performance has been solid.** The end-December 2023 performance criteria (PCs) on the floor on the primary fiscal balance, the ceiling on the NDA of the central bank (CBvS), the floor on NIR and the ceiling on the central government mineral revenue in local currency were met. As the primary fiscal balance target is evaluated on a cash basis, it does not capture the accumulation of domestic supplier arrears (¶8). All continuous PCs were also met. Regrettably, the end-December floor on social assistance spending (an indicative target under the program) was again missed.

Box 1. Hypothetical Oil Scenario

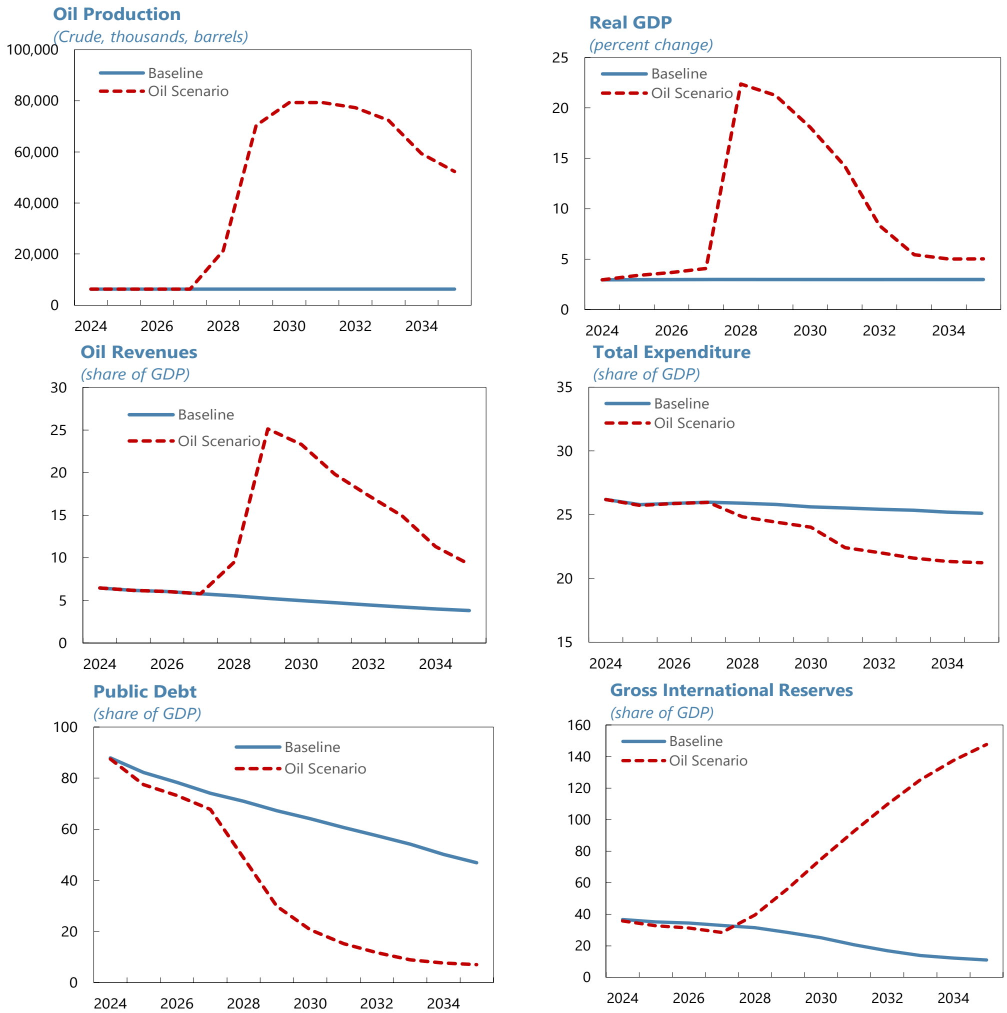
This box presents a preliminary hypothetical scenario where a final investment decision (FID) for oil extraction is made on block 58 by end-2024. All the assumptions outlined below are subject to a lot of uncertainty. Should an FID materialize by end-2024, oil production is assumed to begin by end-2028, peaking at 79 million barrels in 2030 and 2031 before declining gradually. With the total project investment of USD 9 billion and pre-investment flows starting at end-2024, growth would begin to pick up as early as 2025, reaching a peak of about 22.4 percent in 2028 and stabilizing at 5 percent over the long term. Government take from oil revenue is based on the terms of the production sharing contract.[1] Part of the new oil revenue is expected to be used to pay down debt obligations as agreed based on the Value Recovery Instrument (VRI) (Annex I).

The scenario presents a major upside risk to government fiscal and external position, assuming continued fiscal prudency by the government. The value of oil exports will peak in 2029 with an increase of about 28 percent of GDP relative to the baseline. Oil revenue is expected to rise to a high of about 25 percent of GDP in 2029. The value of oil revenues tied to payments of debt in the VRI amounts to an average of about 3

[1] Contract terms publicly available in Apache investor presentation.

Box 1. Hypothetical Oil Scenario (Concluded)

percent of GDP annually in 2028–30. Gross international reserves (GIR)[2] are expected to increase to 148 percent of the GDP by 2035, and public debt would decline rapidly to 21 percent of GDP by 2030.



Sources: Surinamese authorities and Fund staff calculations and projections.

[2] Gross international reserves include all flows into the Sovereign Wealth Fund.

Suriname: Summary of Program Performance

Review:	**1st**	**2nd**	**3rd**	**4th**	**5th**
Test-date:	Dec.-21	Dec.-22	Jun.-23	Sep.-23	Dec. 23
Quantitative Performance Criteria (QPC)					
Fiscal/debt targets					
1. Primary fiscal balance (cash basis) of central government (floor)	Met	Not Met	Met	Not Met	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling)	Met	Met	Met	Met	Met
3. New central government guaranteed debt (continuous ceiling)	Met	Met	Met	Met	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	Met	Not Met	Not Met	Met	Met
Monetary targets					
5. Gross credit to the central government by the central bank (continuous ceiling)	Met	Met	Met	Met	Met
6. Net international reserves of the central bank (floor)	Met	Met	Met	Met	Met
7. Net domestic assets of the central bank (ceiling)	Not Met	Not Met	Met	Met	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (continuous ceiling)	Met	Met	Met **	Met	Met
9. Central government mineral revenue in local currency (ceiling)				Met	Met
Indicative Targets (IT)					
1. Social spending of central government (floor)	Not Met	Met	Not Met	Not Met	Not Met

** Assessed from the 2nd review. The ceiling was breached by direct sales of US$ 13 million in February 2023 while the program was off-track.

6. **Institutional reforms continue to advance, with extensive CD support from the IMF and other development partners.** The CBvS, the MOFP, and the SDMO signed an MOU detailing respective responsibilities and processes with respect to external debt payments (end-January SB, met). The Ministry of Social Affairs published a report detailing the number of households receiving social assistance benefits and the value of these benefits in each district under each program (end-January SB, met). The CBvS and the MOFP agreed on a governance framework for state-owned banks (end-December SB, not met, implemented with delay in February). The end-September SB on establishing an electronic FX trading platform was not met and is now expected to be implemented with delay in March 2024 after technical problems are resolved. The end-December SB on submitting a legislative amendment to the Foreign Exchange Regulation of 1947 to rectify any misalignment with the Central Bank Act was not met and will be implemented with a delay in March). The end-September SB on enacting the new Procurement Law to centralize and mandate the publication of all public procurement tenders and contract awards was not met and is expected to be implemented in March to allow for broader consultation with the stakeholders. The end-December 2023 SB on reviewing the social protection public expenditure and publication of a time-bound strategic plan to improve the efficiency and effectiveness of social benefits is expected to be finalized with a delay in March.

POLICY DISCUSSIONS

A. Improving Fiscal Sustainability While Supporting the Vulnerable

7. **The end-December 2023 fiscal performance criteria were met.** The central government primary balance target (evaluated below-the-line, cash basis) was SRD 2,148 million (1.6 percent of GDP), with a SRD

1,511 million margin from the adjusted target of SRD 637 million.[1] Revenue was 1.4 ppts of GDP lower than budgeted but this was offset by lower expenses. While additional CD from STA is needed to verify the supplier arrears, preliminary data suggests that there was sizeable net accumulation of supplier arrears of SRD 5,023 million during 2023 (¶13). The end-December indicative target on social protection spending was missed by SRD 885 million, as a one-time payment to households was delayed to January 2024.

8. The authorities' 2024 budget targets a primary central government surplus of 2.7 percent of GDP. It is underpinned by measures on both revenue and expenditure side including:

- *Wage bill.* The authorities will maintain the wage bill at 6.7 percent of GDP in 2024. The sizable private-public wage differential makes it hard for the government to attract and retain qualified and experienced civil servants, in particular for managerial, professional and technical positions (Box 2). The authorities aim to raise the real wages of public sector workers after significant reductions over the past 3 years.[2] This will be made possible through speedy enforcement of the recently enacted ministerial decree that removes unregistered workers and chronically absent civil servants from public payrolls.[3]

- *VAT.* The coverage of goods and services that are taxed at the standard rate was expanded to cover 60 percent of the consumption basket and a new 5 percent rate will be introduced on water, electricity and cooking gas in June 2024. Over 4,000 companies had registered for VAT at end-December 2023 but delays in implementing the new IT system and auditing refunds have caused VAT refund arrears to build. The authorities aim to clear these VAT refund arrears by end-2024 (*new proposed indicative target)*. To expedite refund processing, fiscal identification numbers will be made mandatory for all VAT declarations and transactions (*new proposed end-June 2024 SB*).

- *Taxes on fuel.* The government eliminated fuel subsidies in early 2023 and fuel prices are now determined by an automatic pricing mechanism based on international prices. The government reimposed specific taxes on fuel in May 2023, generating an estimated 0.8 percent of GDP in revenue in 2023. To smooth out fluctuations in retail fuel prices the authorities have introduced

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[1] The QPC target on the cumulative primary cash balance is adjusted downward to the full extent that the cumulative disbursement of project loans is more than the baseline projection in Table 2 of the Technical Memorandum of Understanding. Disbursements were concentrated in October, November, and December, exceeding the baseline projection for 2023 by SRD 1657 million.

[2] Staff estimate that the average real wage in the public sector is 54 percent lower at end-December 2023 compared to January 2020. Increases in nominal wages have been paid as lump-sum increases across the entire salary scale, which has flattened the scale and made the public sector relatively more unattractive for more skilled workers.

[3] As per regulations issued on 10 November 2023, line ministries issued letters to unregistered workers requiring they present a defence within three days. Workers who present a defence are given five days to register. If they remain unregistered, salary payments can then be halted with the approval of the Minister of Home Affairs or the President. If the worker remains unregistered one month after salary payments are stopped, the worker can then be dismissed with the approval of either the Council of Ministers or the Office of the President. Workers were given a further opportunity to register from January 30, 2024 to February 3, 2024. Around 8 percent of workers remain unregistered at end-February.

a formula to increase the fuel tax when fuel prices drop and decrease the fuel tax when fuel prices increase, with a floor to at least achieve revenue neutrality.

- *Electricity subsidies.* Average electricity tariffs were increased by 36 percent in 2023.[4] The Council of Ministers adopted a schedule of tariff increases for 2024 to reach cost-recovery by end-2024. The electricity regulator continues to update on its website the average tariff paid by each consumer group and the remaining size of the subsidy.

- *Liquified petroleum gas subsidies.* In August 2023, the government announced a schedule of price increases for liquified petroleum gas (LPG) to phase out subsidies. In September, LPG prices increased by around 425 percent, reducing the subsidy to 55 percent of the cost. Prices increased again in December and will continue to increase by a fixed amount each quarter until the subsidy is eliminated in September 2025.

- *Cash transfers.* The value of targeted cash transfers was increased in July 2023 by 42 percent and in December 2023 the government delivered retroactive benefits to remote households. Work continues to increase coverage of the social beneficiary program. In January 2024 a further bonus was paid to beneficiaries under this program. The government is developing with the help of ILO and IDB a time-bound strategic plan to improve the efficiency and effectiveness of social benefits (*end-Dec 2023 SB, not met, expected to be implemented with delay in March*).[5] To improve transparency, the government is publishing a monthly report on the number of households or individuals covered by each social program in each district and the value of cash transfers they receive (*end-January 2024 SB, met*).

- *Capital spending*. Capital expenditure will increase to 3.5 percent of GDP in 2024, with priority given to growth-enhancing projects and to integrating climate considerations into the appraisal and selection of capital projects. The government will strengthen their existing public investment management framework, upgrading procedures into a new manual with guidelines for the economic appraisal of investment projects that include climate change considerations *(end-September 2024 SB, proposed to be removed, MEFP ¶8)*.[6]

[4] Average electricity tariffs for the quarter are calculated as an average tariff across consumer groups weighted by kWh usage and averaged for the entire quarter.

[5] The strategic plan focuses on providing a social protection floor through the various ministries that are responsible for social protection programs.

[6] To safeguard public investment, climate adaptation measures are critical for Suriname given its vulnerability to natural disaster shocks. For instance, about 30 percent of the landscape is within 0 to 3 meters above sea level, making it vulnerable to coastal flooding.

Suriname: Contributions to Fiscal Adjustment
(In percent of GDP)

	2022	2023		2024		2025		Total	
		4th review[1/]	Curr. Proj.	4th review	Curr. Proj.	4th review	Curr. Proj.	4th review	Curr. Proj.
Annual change of Primary Balance	**1.6**	**0.6**	**0.3**	**1.1**	**1.4**	**0.8**	**0.8**	**4.0**	**4.0**
Adjustment from Policy Changes	**0.5**	**3.2**	**3.9**	**3.6**	**3.8**	**0.7**	**0.7**	**8.0**	**8.9**
Revenue measures	**-0.6**	**1.1**	**1.0**	**1.9**	**2.3**	**0.3**	**0.3**	**2.6**	**3.0**
Replacing sales tax with VAT	0.0	0.2	0.4	0.6	0.6	0.2	0.2	1.0	1.2
Sales tax increase on G&S	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.4
Royalties increase for gold miners	0.3	0.2	0.2	0.3	0.3	0.0	0.0	0.9	0.9
Income tax	0.2	-0.4	-0.7	0.1	0.1	0.0	0.0	-0.1	-0.4
Corporate tax	-1.0	0.0	0.3	0.1	0.1	0.0	0.0	-0.9	-0.6
Taxes on fuel	-0.4	0.7	0.8	-0.2	0.1	0.0	0.1	0.1	0.6
Scaling back exemptions	0.0	0.1	0.1	0.2	0.2	0.0	0.0	0.3	0.3
Air navigation charge increases	0.0	0.2	0.0	0.0	0.2	0.0	0.0	0.3	0.2
Land lease fee increases	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.6	0.6
Expenditure measures	**1.1**	**2.2**	**2.9**	**1.7**	**1.6**	**0.4**	**0.4**	**5.4**	**5.9**
Wage bill restraint	-0.5	1.4	1.4	0.0	0.0	0.1	0.0	1.1	1.0
Goods and services expenditure	2.3	0.0	0.0	0.1	0.1	0.1	0.1	2.5	2.5
Phased electricity subsidy elimination	0.5	0.5	0.3	2.0	2.3	0.5	0.3	3.6	3.4
Phased fuel subsidy elimination	-1.8	1.5	1.4	0.3	0.4	0.0	0.0	0.0	0.0
Phased gas subsidy elimination	0.0	0.1	0.1	0.2	0.2	0.0	0.1	0.3	0.4
Social programs spending	-0.4	-0.9	-0.3	-0.2	-0.8	0.0	0.0	-1.5	-1.6
Other transfers and subsidies	1.6	-0.2	0.4	0.1	0.1	0.0	0.0	1.5	2.2
Capital spending	-0.6	-0.3	-0.3	-0.7	-0.8	-0.3	-0.2	-2.0	-1.9
Contribution by Non-Policy Factors	**1.1**	**-2.6**	**-3.6**	**-2.5**	**-2.4**	**0.1**	**0.1**	**-4.0**	**-4.9**
Revenue	1.1	-2.2	-3.0	-2.5	-2.4	0.1	0.1	-3.6	-4.2
Expenditure	0.0	-0.4	-0.6	0.0	0.0	0.0	0.0	-0.4	-0.7
Memo									
Primary Balance	1.0		1.3		2.7		3.5		

Sources: Ministry of Finance and Planning and IMF staff calculations.
1/ See IMF Country Report No. 2024/006

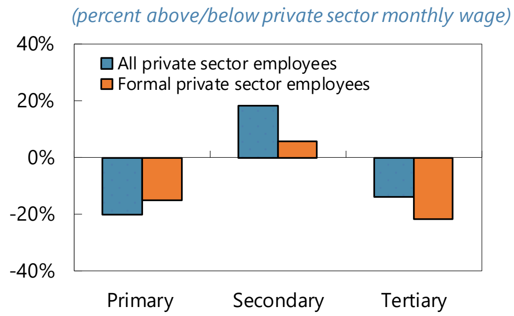
Box 2. The Public Sector Wage Premium in Suriname

On average public sector employees are paid more than private sector workers but less than those working in the formal sector. Using the 2022 Survey of Living Conditions, a labor force sample consisting of those self-reporting as full-time employees between the ages of 15 and 65 was constructed. Controlling for observable characteristics (age, gender, education level, and geographic region), public sector workers' gross income is 4.9 percent higher than their private sector comparators. However, public employees are paid 2.5 percent less than formal private sector workers (identified as those that pay tax) when controlling for observable characteristics. This premium of is lower than 75 percent of countries for which similar estimates have been done.[1]

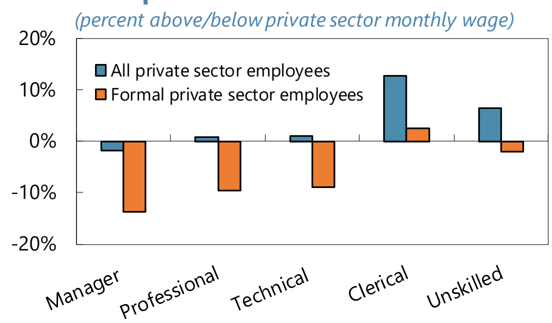
The premium relative to the average private sector worker falls with the level of skill. Professionals earn only 0.8 percent more compared to their private sector peers (9.6 percent less than peers in the formal sector) while managers earn 1.9 percent less than private sector peers (13.8 percent less when considering only the formal sector). For government employees with a tertiary education, the wage premium is consistently negative – on average they earn 14 percent less than their private sector peers, and 22 percent less than those in the formal sector.

Box 2. The Public Sector Wage Premium in Suriname (concluded)

Education



Occupation



Sources: 2022 Survey of Living Conditions and IMF staff calculations.

Women earn a positive premium in the public sector. Women earn a premium of 17 percent in the public sector, compared to 2 percent for men. Relative to the formal sector, this premium remains positive (1.8 percent).

The negative wage gap for professional, managerial, and well-educated public sector workers likely increased in 2023. Public sector wage increases in 2023 were lump-sum bonuses. As a result, higher-paid workers received smaller wage increases in percentage terms.

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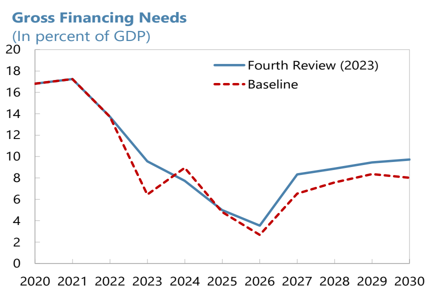
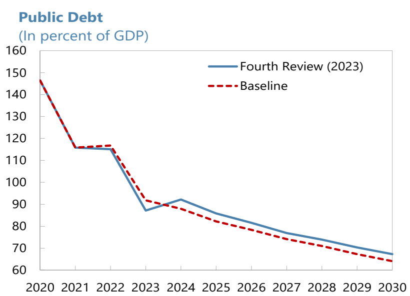
[1] Data for comparison countries comes from the IMF Government-Private Sector Compensation Premium Dataset, 2023 (see IMF Policy Paper "Managing Government Compensation and Employment" for further details).

9. **Gross financing needs are manageable and public debt is on a firmly declining trajectory.** Gross financing needs are elevated in 2024 but aligned with the limits in the program,[7] peaking at 9.0 percent of GDP in 2033 and averaging 7.1 percent of GDP over the medium- to long term.[8] Public debt is expected to fall below 70 percent by 2029.[9]

Suriname: Gross Financing Needs and Public Debt





Sources: CBvS, Ministry of Finance, and IMF staff estimates.

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[7] The program parameters for GFN are under 12 percent of GDP in any year, and under 9 percent on average over the medium- to long-term.

[8] Gross financing needs were lower than expected in 2023 and are projected to increase to 8.9 percent of GDP in 2024 due to delayed clearance of domestic debt and supplier arrears.

[9] Public debt stood at 91.8 percent of GDP at end-2023, higher than expected at the time of the 4th review due to revisions to the stock of supplier arrears and the sharp increase in other accounts payable in November and December (¶12 and DSA ¶2).

10. To further strengthen fiscal institutions, the authorities have, with extensive Fund CD:

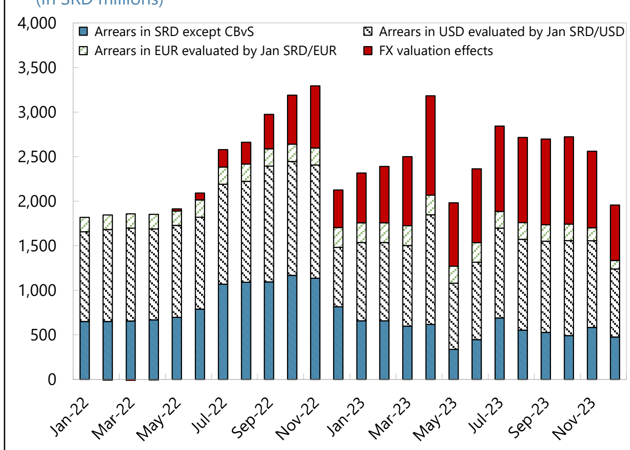
- Improved the recording, reporting, and payment of public debt. An MOU was agreed between the MoFP, the SDMO, and the CBvS detailing respective responsibilities of each with respect to external debt payments *(end-January 2024 SB, met)*;
- Increased staffing of the SDMO qualified personnel assigned exclusively to the back office;
- Published quarterly budget execution reports;
- Issued a decree to provide the Minister of Finance the authority to access all banks accounts held by government entities at commercial banks *(end-March 2024 SB);*
- Will enact a new procurement law *(end-September 2023 SB, not met)* in March*;*
- Plan to publish a report of the largest state-owned enterprises to quantify the principal fiscal risks faced by these enterprises *(end-June 2024 SB, proposed to removed, MEFP¶8);*
- Developed a plan to put in place a treasury single account (TSA) for a subset of line ministries *(new proposed SB for end-Jan 2025).*

B. Debt Issues

11. The authorities are in the process of clearing their domestic debt arrears (Annex I). Legacy debts to the CBvS have been restructured into a new loan with a grace period of 2 years, a maturity of 27 years and an interest rate of 9 percent. All advances to the central government had been repaid to the CBvS in October. The authorities intend to fully clear all remaining domestic debt arrears by end-March 2024 *(new proposed SB).*

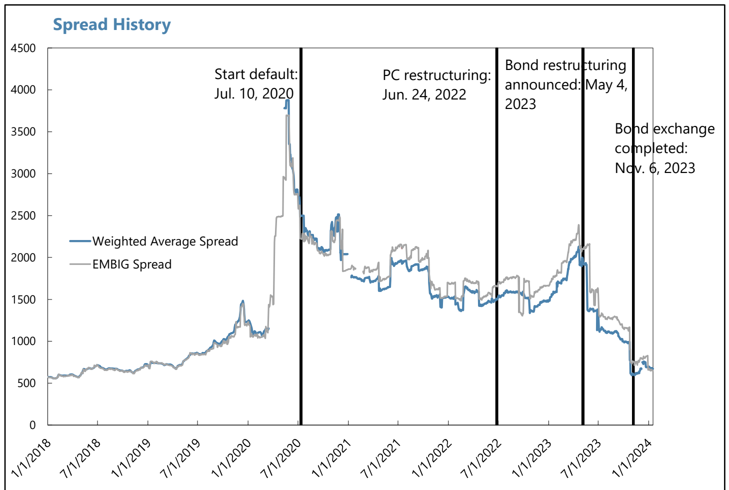
12. The total stock of accounts payable—80 percent of which is considered supplier arrears—rose to 5 percent of GDP at end-2023. To prevent the further accumulation of supplier arrears, the Budget Department will set commitment ceilings by line ministry quarterly and enforce them (*new proposed continuous SB*). A resolution will be issued to clarify that the government will not be held responsible for contracts agreed with line ministries that have no prior authorization from the Ministry of Finance *(new proposed SB for end-April 2024).* In addition, line ministries will be mandated to report the stock of arrears to the Ministry

Stock of Domestic Debt Arrears 1/
(In SRD millions)



Sources: CBvS and IMF staff calculations.
1/ Excludes arrears to CBvS.

of Finance on a monthly basis *(new proposed SB for end-June 2024)* and new indicative targets have been established to limit the stock of VAT refund arrears.



Sources: Bloomberg, Sovereign Debt Monitor, and IMF staff calculations.

13. Conditional on the debt treatments agreed for both official and private debt, Suriname's debt is judged to be sustainable on a forward-looking basis (Annex I). Suriname's sovereign spreads are currently trading at their lowest levels since the start of the program, marking significant progress towards restoring market access. In March, an agreement in principle with EXIM China was signed by both parties. This AIP is consistent with the program parameters and in line with the relief provided by PC creditors.

C. Bringing Down Inflation

14. Monetary policy is supporting an easing of inflationary pressures. The CBvS is maintaining their restrictive monetary policy stance targeting a decline in the money supply in inflation-adjusted terms. This has required ongoing sterilization through open market operations and the issuance of central bank certificates. Private sector credit growth has slowed as a result of both restraints on systemic liquidity and the imposition of bank-by-bank caps on loan growth.[10]

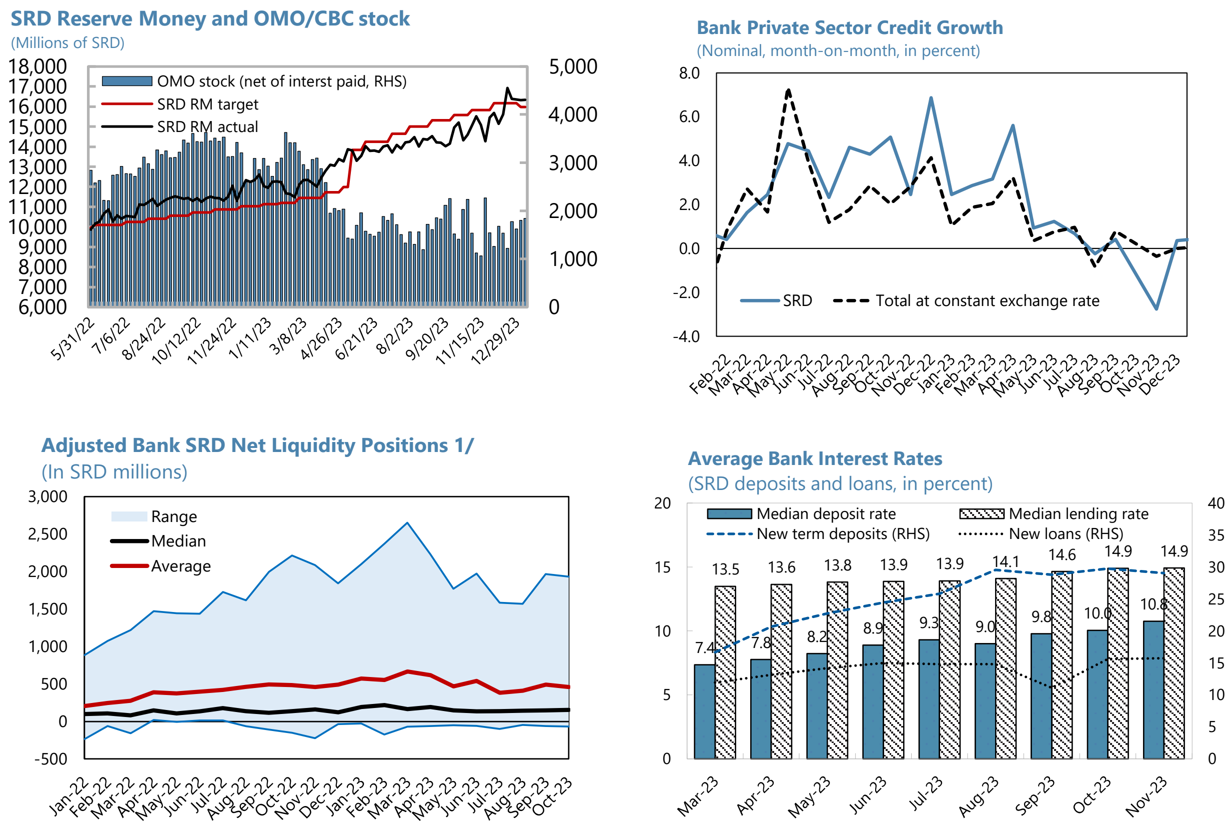
15. Sterilization efforts will need to continue to ensure reserve money adheres to program targets. The SRD-reserve money target was missed in the last two weeks of December 2023 with banks holding onto cash to meet the holiday season demand and throughout January to meet possible withdrawals by large depositors. In the coming months, the repayment of government arrears will inject local currency liquidity that will need to be offset by the central bank. The reserve money targets should be met on average through the month and not only at the end of the month. There is scope to begin lengthening the maturity of central bank liabilities. Also, the central bank should increase the ease of using its liquidity facilities which would help reduce cash hoarding by the commercial banks and increase their willingness to invest in central bank paper.

16. Monetary transmission is gradually improving—as evidenced by rising rates on new term deposits—but the adjustment in market interest rates is slow and loan and deposit rates remain

[10] The caps aim to contain nominal SRD private sector credit growth to 20 percent over a one-year period through April 2024 and support CBvS' ability to mop up liquidity through OMOs in conditions of highly uneven distribution of system liquidity. Leakage risks from the credit cap are mitigated by modest demand for loans, regulatory limits on extending FX credit, and the small size of the non-banking sector.

negative in ex ante real terms. The concentration of excess liquidity in a few banks and the lack of a working interbank market have reduced the transmission of policy to market interest rates. In addition, concerns over borrower repayment capacity have reduced banks willingness to pass through higher funding costs into loan rates**.**

Suriname: Recent Monetary Policy Developments



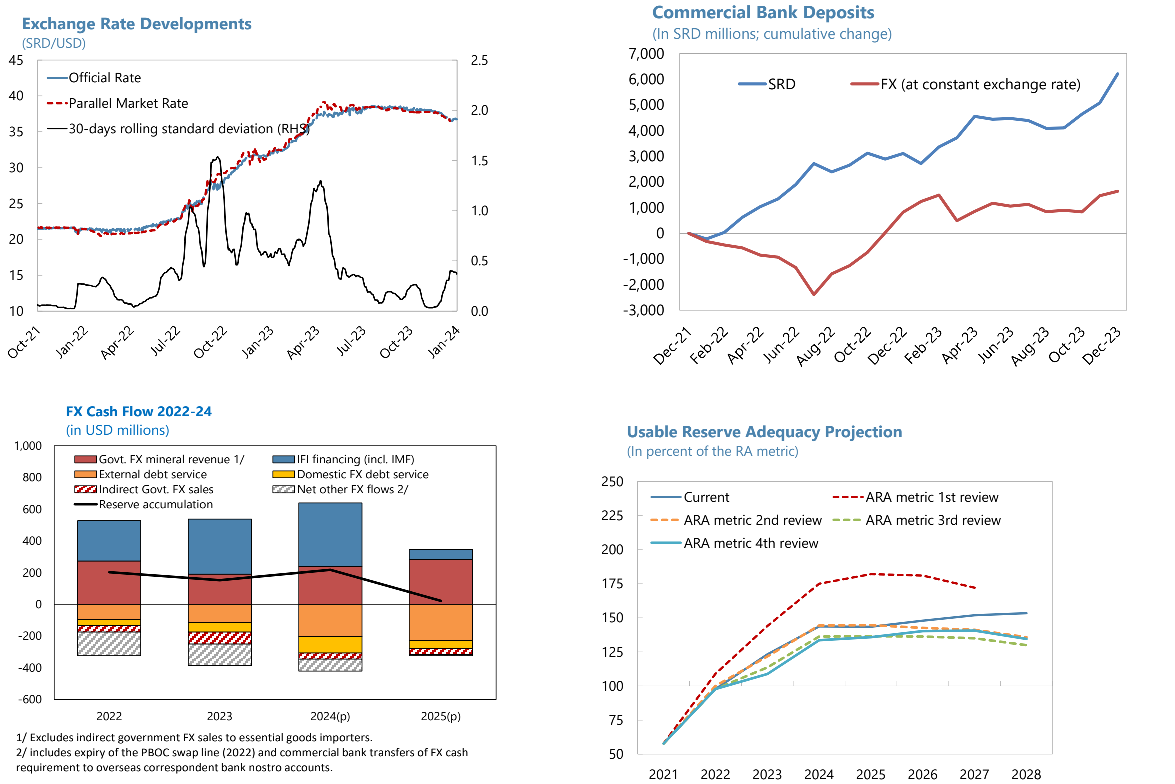
Sources: CBvS and IMF staff calculations.

1/ Excludes reserve requirement and government T-bill exposures.

17. Work to improve the functioning of the FX market is proceeding. The planned launch of the electronic FX trading platform *(end-September SB, not met)* to support market transparency, liquidity and price discovery will be implemented with a delay in March, as bugs discovered during the testing phase are resolved. The CBvS is working on strengthening FX reserves management and operations, and FX risk management. The authorities will submit the amendment to the Foreign Exchange Regulation of 1947 to ensure it is consistent with the new Central Bank Act *(end-December SB, not met)* in March.[11]

[11] The authorities are also undertaking a full review of the FX Regulation of 1947 and are in discussions with staff on the scope of possible capacity development support in this area.

Suriname: Recent Foreign Exchange and International Reserve Developments



Sources: CBvS and IMF staff calculations.
1/ Excludes indirect government FX sales to essential goods importers.
2/ Includes expiry of the PBOC swap line (2022) and commercial bank transfers of FX cash requirement to overseas correspondent bank nostro accounts.

Suriname: FX Cash Flow Projections
(Millions of USD)

	2022	2023	2024	2025	Total
Inflow of FX (CBvS and Central Government)	**590**	**694**	**799**	**517**	**2,600**
Govt mineral and other FX revenues 1/	260	160	265	326	1,010
IFI financing (budget support)	200	190	175	25	590
IMF financing	54	157	251	63	580
Other (incl. project financing)	76	186	108	103	474
Outflow of FX (CBvS and Central Government)	**386**	**292**	**555**	**492**	**1,725**
Debt service 2/	134	165	310	301	910
Other FX outflows (incl. use of project financing)	97	127	245	191	661
PBOC swap reversal	154	0	0	0	154
Private sector (net)	**-2**	**-250**	**0**	**0**	**-252**
Commercial banks' transfers (net) 3/	-2	-250	0	0	-252
FX purchases by CBvS	0	0	0	0	0
FX sales to private sector by CBvS and Central Government 4/	0	0	0	0	0
Change in Gross Foreign Reserves of CBvS (+: Increase)	**202**	**152**	**244**	**25**	**623**
Private sector	-2	-250	0	0	-252
Public sector	204	402	244	25	875

Sources: CBvS and IMF staff estimates.
1/ Government mineral and other revenue received in foreign curency that are transferred to the CBvS.
2/ Debt service to all external and domestic obligations of the central government and CBvS denominated in FX.
3/ Commercial banks' transfers to/from their accounts at the CBvS from/to their Nostro account abroad.
4/ Direct FX sale by the central government to fuel importers in February 2023.

D. Addressing Banking Sector Risks

18. Persistent vulnerabilities in the banking system are being addressed. Asset quality is improving, but NPLs and loan losses remain high. Capital adequacy for the banking system is 19.1 percent but two banks do not meet the regulatory minima. The banking sector is very liquid (52.8 percent of assets) but that liquidity is concentrated in the two large systemic banks.[12]

19. Ensuring timely completion of bank recapitalization plans will be essential for preserving the stability of the banking system. After comprehensive asset quality reviews, two banks with capital shortages have submitted plans to the CBvS to comply with capital requirements[13]. These recapitalization plans were reviewed and finalized by the CBvS (*end-October SB, not met, implemented with delay in December*) and the challenge ahead will be to ensure these plans are fully implemented. The CBvS will set interim common equity tier one and capital adequacy ratio targets for these banks and is in the process of defining the prompt corrective actions it would take if these targets are breached *(new proposed SB for end-March 2024*).[14] Any government solvency support will be designed to be in place for viable banks under strict conditionality to minimize costs and moral hazard, enhance public confidence, and provide a clear exit strategy for the government.

20. Banks with capital shortages are being subject to enhanced supervision and restrictions on dividend payouts and bonus payments[15]. The CBvS and the MOF has also agreed a new governance framework for government-owned banks to ensure they are run on a fully commercial basis, providing a level playing field with private banks *(end-December SB, not met, implemented with a delay in February)*. This framework, planned to be implemented by end-2025, will support the recapitalization of the state-owned bank in particular due to the reforms in the board and senior management and internal audit systems of the bank. Amendments to Banking and Credit Supervision Act have been enacted to align legislation on supervision and resolution with international best practices and establish a more risk-based and timely supervisory process. Similarly, recently enacted Bank Resolution Bill will strengthen CBvS' powers and tools for early intervention, recovery and resolution of credit institutions.

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[12] The CBvS' standing lending and intraday facilities are in place to help banks cover sudden short-term liquidity gaps. Additionally, banks can request from the CBvS to have access to their reserve averaging facility to meet their short-term liquidity needs. There is a lack of interbank market, with a few occasions where cross currency deposit swap operations are conducted.

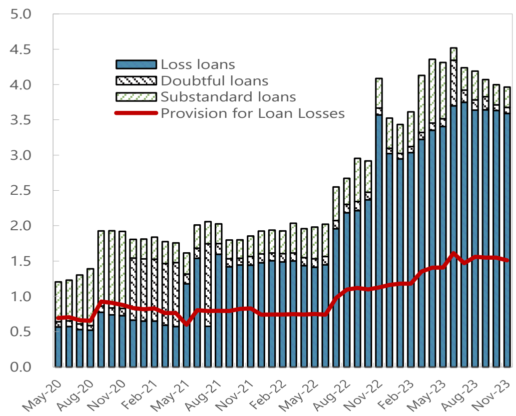
[13] Total market share of two banks with capital shortfalls correspond to 16.3 percent. These banks are not systemically important.

[14] The CBvS framework for the assessment of banks' time-bound recapitalization and restructuring plans, which was completed by end August 2023 as a prior action for the completion of the second review, requires the banks with capital shortages to show improvement in the Tier-1 ratio and CAR within a period set by the CBvS. According to the AQR roadmap, banks with capital shortages should meet regulatory requirements for CET1 and CAR by the end of 2024 and 2026, respectively.

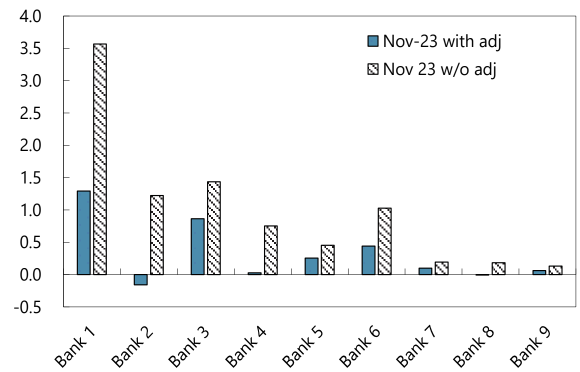
[15] The CBvS framework for the assessment of banks' time-bound recapitalization and restructuring plans envisages the relevant supervisory and corrective actions the CBvS would take for banks having solvency problems.

Suriname: Selected Financial Sector Indicators

NPLs and Provisioning 1/
(In SRD billions)



Adjusted and Unadjusted SRD Net Liquidity Positions 2/
(In SRD billions)



Source: CBvS and IMF staff calculations.
1/ The large shift in December 2020 from substandard to doubtful loans shows the reclassification of a large loan by one of the banks in line with CBvS provisioning guidance. The movement between doubtful and loss loans in July 2021 likely is a reporting error that was corrected in August 2021.
2/ Adjusted means exclusion of required reserves and exposures to government T-bills.

E. Strengthening Central Bank Governance

21. The authorities are taking steps to strengthen governance of the CBvS in line with the new Central Bank Act. The CBvS Council has recently been fully constituted and the Executive Board is expected to be established by end-March (*new proposed SB for end-March 2024*). The audit of the CBvS' FY2022 financial statements has been further delayed due to ongoing capacity constraints within the CBvS. The SB to publish the 2022 audit results is *proposed to be reset for end-September 2024*. The MoFP and CBvS are developing a plan to recapitalize the central bank to ensure the solvency of the central bank *(end-March 2024 SB is proposed to be reset for end-April 2024)*. A review of program monetary data for end-December 2023 will be completed by mid-March and the CBvS is working to implement recommendations from recent Fund CD on foreign reserves management.

F. AML/CFT and Governance

22. Key governance reforms are progressing, while anti-corruption reforms have been delayed:

- The end-June 2024 SB on amendments to the Anti-Corruption legal framework is proposed to be reformulated and set as two separate structural benchmarks for end-June and end-September respectively. Specifically, with the help of Fund TA, the authorities will enact amendments to the anti-corruption legal framework to bring it into line with the requirements of Chapter III of the UN Convention against Corruption on criminalization of acts of corruption

(SB proposed to be reformulated and established for end-June 2024). The authorities will also amend the anti-corruption level framework to require: (i) income and asset declarations of politically exposed persons; (ii) the routine verification of these declarations; (iii) publication of income and asset declarations; and (iv) the establishment of proportionate and dissuasive sanctions regime for non-compliance *(proposed to be reformulated and established as end-September 2024 SB)*.

- The authorities have ratified the Caribbean Community (CARICOM)'s Protocol on Public Procurement in July 2022. With support from the IDB, a new procurement law was drafted and will be enacted in March which will centralize the publication of all tenders and contracts awards and mandate the publication of all public procurement contracts, the names of the awarded entities and their beneficial owners, the names of the public officials awarding the contracts, and an ex-post validation of delivery of the contracted services.

- A 2022 assessment by the Caribbean Financial Action Task Force (CFATF) identified several technical compliance deficiencies and placed Suriname on enhanced follow up.[16] In November 2022, the authorities enacted a new Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) law to bring it into line with international standards and to address key technical compliance deficiencies (drafted with IMF support). To comply with FATF requirements, Suriname will need to: (i) enhance AML/CFT supervision for all financial institutions; (ii) develop and implement risk based supervisory framework for Designated Non-Financial Businesses and Professions (DNFBPs); (iii) make available adequate human, financial, and technological resources to the Financial Intelligence Unit; (iv) increase ML/TF related investigations, prosecutions and confiscations; and (v) amend the International Sanctions Framework to update the legal framework in relation to the implementation of the UN Security Council Resolutions on Terrorism and Proliferation Financing. The authorities are working to enact amendments to various laws and to strengthen their risk-based supervision, including with support from IMF CD. A second national risk assessment is planned to be completed by mid-2024.

G. Incorporating Climate Consideration in Macroeconomic Policies

23. The government is working on strengthening institutional framework to enhance climate mitigation and adaptation procedures. Suriname is highly vulnerable to climate change despite being carbon negative. The government is establishing an environmental authority which will have the legislative mandate to build safeguards against climate issues and explore options for climate financing including sales of carbon credits (see MEFP: Section IX).

H. Improving the Quality and Dissemination of Economic Statistics

24. The government is making efforts to improve the quality of economic statistics. Demonstrated progress has been made in improving the quality and timeliness of monetary,

[16] Suriname received low effectiveness rating by CFATF in all areas except one. Negative assessment ratings can result in reputational risks and have a negative impact on correspondent banking relationships (CBRs).

financial and balance of payment statistics. To improve capacity, the authorities have increased the budget of the statistics office. More efforts are required to improve the production and timeliness of GDP statistics. The authorities should also provide more disaggregated data on CPI.

PROGRAM ISSUES

25. Staff proposes to modify program conditionality as follows:

- **Quantitative targets.** The 2024 QPCs on NIR and NDA are proposed to be adjusted to align them with the revised macro-framework. The 2024 ITs on social spending are proposed to be adjusted to account for quarterly increases in cash transfer values in line with inflation. A new IT on the stock of VAT refund arrears proposed to be set.

- **New 2024 SBs are proposed** to expedite VAT refunds (¶8), address domestic debt arrears (¶11), strengthen expenditure commitment controls and improve treasury management (¶12), fully constitute the CBvS Executive Board and Council in line with the CBvS Act (¶21), and improve financial sector resilience (¶19).

- **It is proposed to reset some SBs to later test dates.** These include SBs on: CBvS FY 2022 audited financial statements (¶21), CBvS recapitalization plan (¶21), and amending the anti-corruption legal framework to allow for asset-income declarations of politically exposed persons (¶22). The SBs on a fiscal risk report and public investment management framework are proposed to be removed to prioritize new critical reforms.

26. Access and capacity to repay. Suriname's capacity to repay continues to be assessed as adequate under the program baseline but is subject to significant risks. Successful implementation of the program will be critical to mitigate these risks. Fund credit outstanding will peak in 2025 at 42.1 and 12½ percent of usable reserves and GDP, respectively, and will remain elevated through 2030 (Table 11). Annual debt service to the Fund peaks in 2029 at 4.1 percent of exports of goods and services. Out of the SDR 46.7 million scheduled for the fifth review, SDR 19.1 million (41 percent) would be made available for budget support.

27. The authorities have offered the same restructuring menu that was agreed with private bondholders to other private creditors. These creditors represent about 9 percent of the stock of arrears to external private creditors at end-2022. The authorities are pursuing appropriate policies and are assessed as having made good faith efforts to reach a collaborative agreement with these creditors. These creditors are not deemed to be a holdout risk and the arrears to these creditors do not undermine the medium-term external viability of Suriname's balance of payments and its capacity to repay the Fund. As such, the Fund's lending into arrears policy is judged to have been met.

28. Program financing. Suriname's program contains firm commitments of financing for the next 12 months and good prospects for adequate financing for the remaining program period.[17]

Suriname: Proposed Program Financing
(In millions of US dollars)

	2021	2022	2023	2024	2025	**Total**
Financing gap	237	421	307	398	62	1,426
Official financing	34	253	308	398	62	1,055
O/w: IMF	34	53	158	248	62	555
Purchases	55	53	158	248	62	576
O/w: for budget support	55	53	102	102	26	338
Repurchases	21	0	0	0	0	21
O/w: IFIs	0	200	150	150	0	500
Financing from external arrears accumulation (net)	203	168	-1	0	0	371

Source: IMF staff calculations.

STAFF APPRAISAL

29. Program performance has been solid. All end-December quantitative performance criteria have been met. While the IT on social spending was unfortunately missed, the authorities are taking steps to expand coverage of the social safety net and adjust the size of payments for inflation to meet the social assistance floor in 2024. They are also taking a comprehensive look at the social assistance program to make sure it is fit for purpose and better protects the most vulnerable.

30. Despite a challenging socio-political environment and capacity constraints the authorities were able to implement an impressive range of reforms. Eliminating fuel subsidies, phasing out electricity and gas subsidies, removing unregistered and chronically absent employees from the public payroll, and broadening the VAT base are all politically costly but necessary reforms. These reforms put public finances on a stronger footing and provide the resources needed to protect the most vulnerable, recruit and retain talent in the civil service, provide quality public services to the population, and lower the debt burden.

31. Disciplined fiscal and monetary policies have helped stabilize the economy and return it to positive growth. The exchange rate has been stable, inflation is on a steady downward trend, and public debt has declined. Investor confidence is returning with international bond spreads falling to levels last seen in 2018. S&P has upgraded its sovereign rating and donors are increasing their support for Suriname.

32. The priority is to maintain the reform momentum that has brought about this increase in stability. The commitment to achieve cost recovery for electricity and shift to targeted social

[17] The IDB commits to providing budget support of at least USD 150 million in 2024 conditional on the IMF program review and its own conditionality. The CDB will provide USD 25 million in budget support in 2024 and 2025. Other IFIs commit to disbursing agreed project loans conditional on the IMF program review and their own conditionality.

support will allow the government to meet its budget targets for 2024 and create fiscal space for more productive fiscal spending.

33. Public sector reforms are proceeding at a steady pace. Public sector wages have not kept up with inflation and have increasingly lost competitiveness relative to the private sector. The problem is especially acute for experienced and skilled civil servants, which threatens the government's ability to recruit and retain talent. At the same time, 8 percent of the public workforce remain unregistered and unexcused absenteeism is at a high level. The authorities are committed to promptly removing unregistered and absent civil servants from the public payroll and to re-deploy these resources to finance wage increases for public sector workers. Tighter controls are also needed to ensure line ministries observe and respect the hiring freeze.

34. Work is underway to prevent the accumulation of supplier arrears. The capacity to record supplier arrears has improved with the help of Fund TA, but preventative controls must be implemented to halt the accumulation of new arrears. This requires improvements in coordination between the Budget Department, the Cash Management Unit, and the Treasury. It is positive that line ministries will be required to report their planned expenditures and arrears on a monthly basis and to ask for Treasury authorization for all large contracts.

35. There is scope to improve the efficiency and effectiveness of the social safety net. In particular, greater investment is needed to reach eligible beneficiaries outside of Paramaribo and to ensure the value of cash transfers does not get eroded by inflation. Transparency has been improved by the recent publication by the Ministry of Social Affairs of the number of beneficiaries receiving social assistance support in each district, the amounts spent on each social assistance program, and the eligibility criteria for that support.

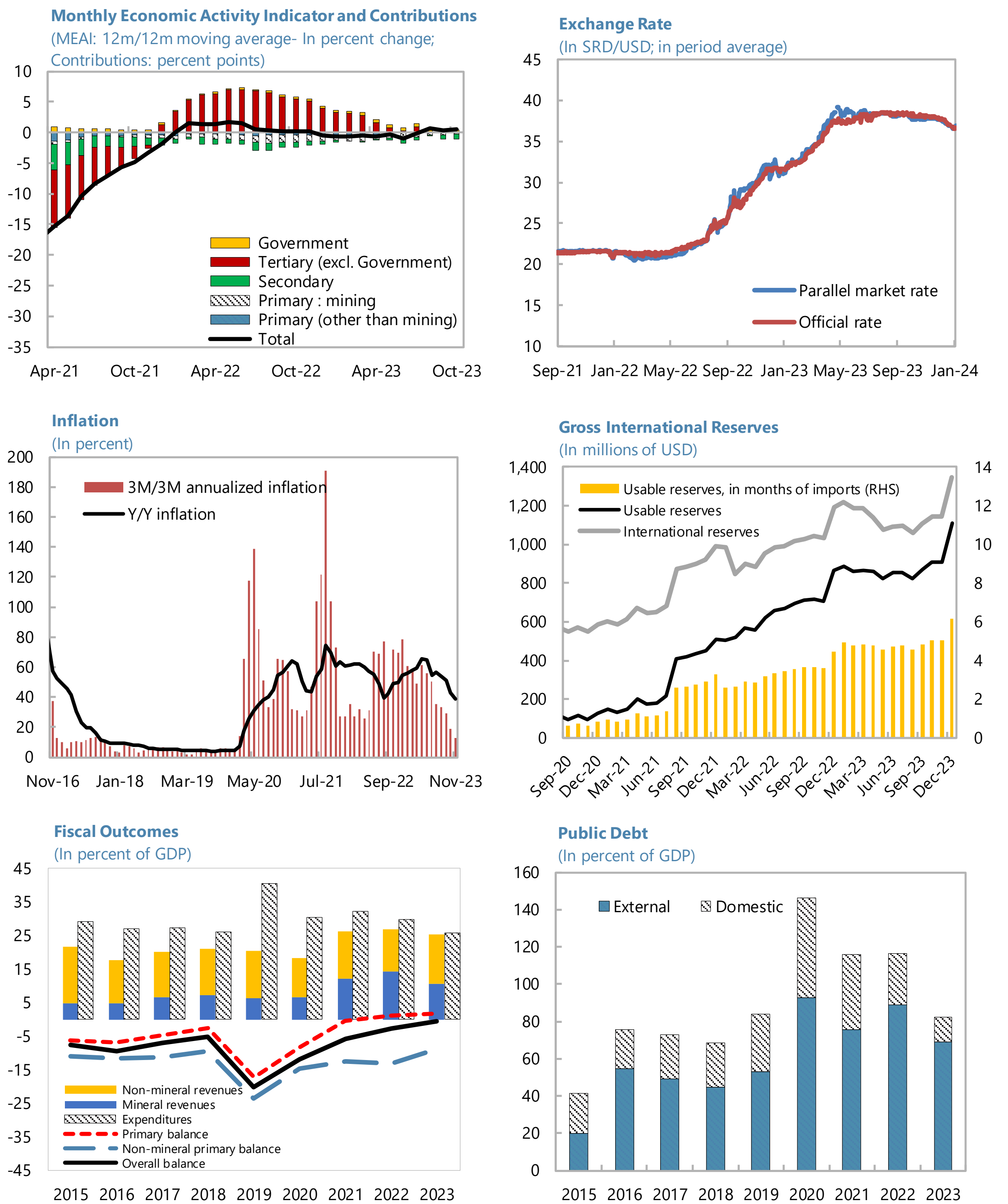
36. The restructuring of Suriname's debt is largely complete. Bilateral agreements with all official creditors have been completed and the debt exchange with private external bondholders has been finalized with high participation. Negotiations with the remaining small group of private external creditors are ongoing (Annex I, ¶2). The restructuring of domestic debts—including those to the central bank has been finalized and clearance of the remaining domestic debt arrears is expected to be completed by end-March. The plan to recapitalize the central bank is expected to be finalized in April.

37. The transmission of monetary policy, though improving, remains weak. Some banks retain significant amounts of excess liquidity despite the high rates paid on central bank paper and term deposits. The authorities are working to improve banks' understanding of how to access CBvS liquidity facilities and are exploring steps to expedite bank requests for liquidity support. The CBvS is also planning to extend the duration of its liabilities. The central bank is committed to a flexible exchange rate, has not undertaken direct interventions in the FX market, and continues to reduce indirect FX sales to essential goods importers. The electronic FX trading platform should be operational in the coming month.

38. The CBvS has approved the recapitalization plans of the two banks with capital shortages and is now focused on the timely implementation of these plans. Risk-based supervision will help strengthen oversight of financial institutions and allow for the timely identification and mitigation of vulnerabilities. The resolution framework put in place under the recently enacted Bank Resolution Act should be operationalized through the issuance of relevant regulations and guidelines. Ongoing efforts to strengthen the AML/CFT framework will support financial sector resiliency and prevent the potential loss of corresponding banking relationships.

39. Suriname's demonstrated commitment to macroeconomic discipline merits Fund support. The authorities are committed at the highest level to restoring macroeconomic and financial stability. In view of the commitments made by the Surinamese authorities, staff supports the authorities' request for the modification of performance criteria, the request for granting a waiver for the nonobservance of a performance criterion . Staff supports the authorities' request for the completion of the fifth review under the EFF arrangement and the completion of the financing assurances review.

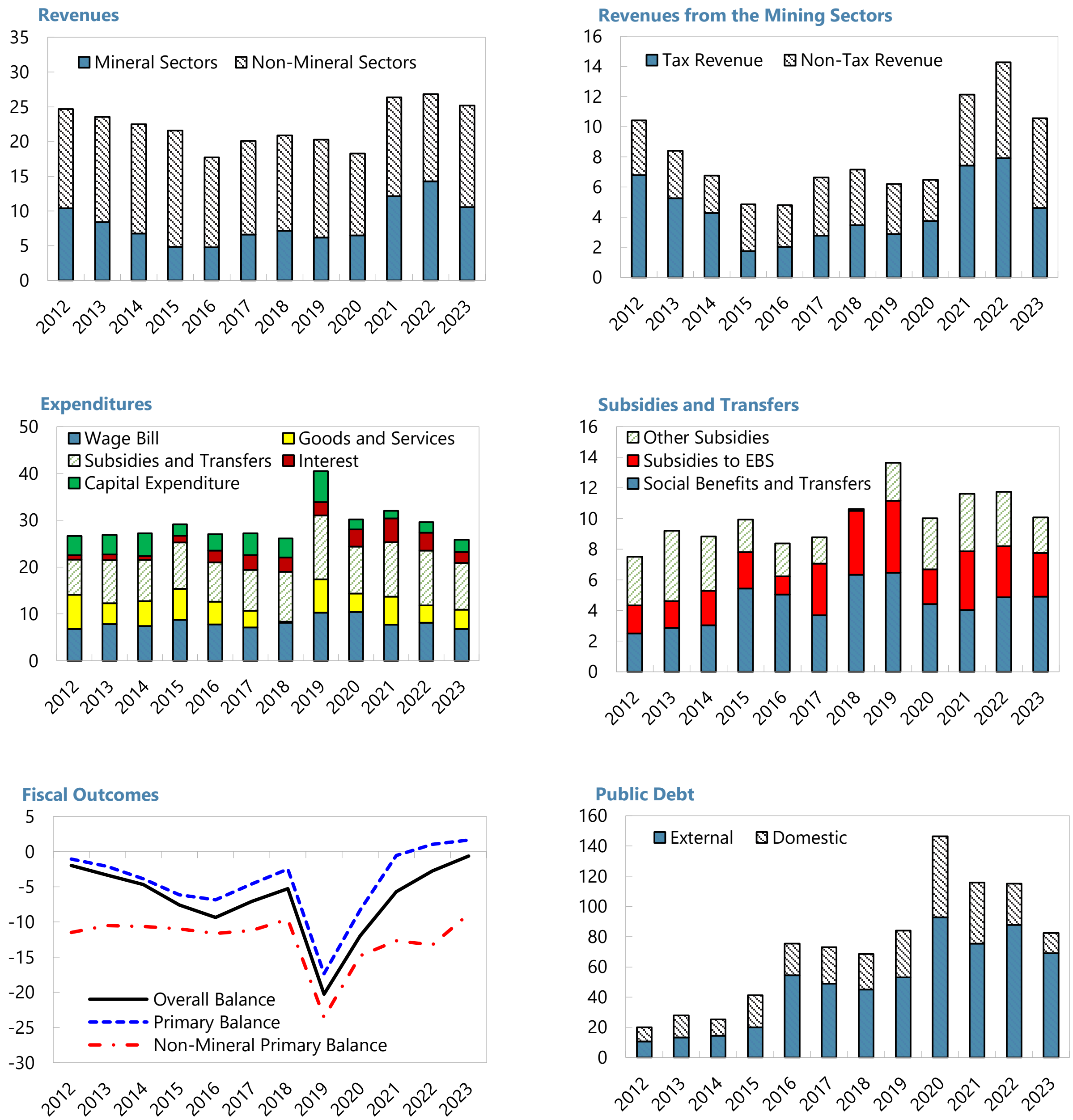
Figure 1. Suriname: Recent Economic Developments



Sources: Central Bank of Suriname, General Bureau of Statistics, Ministry of Finance; SDMO and IMF staff estimates.

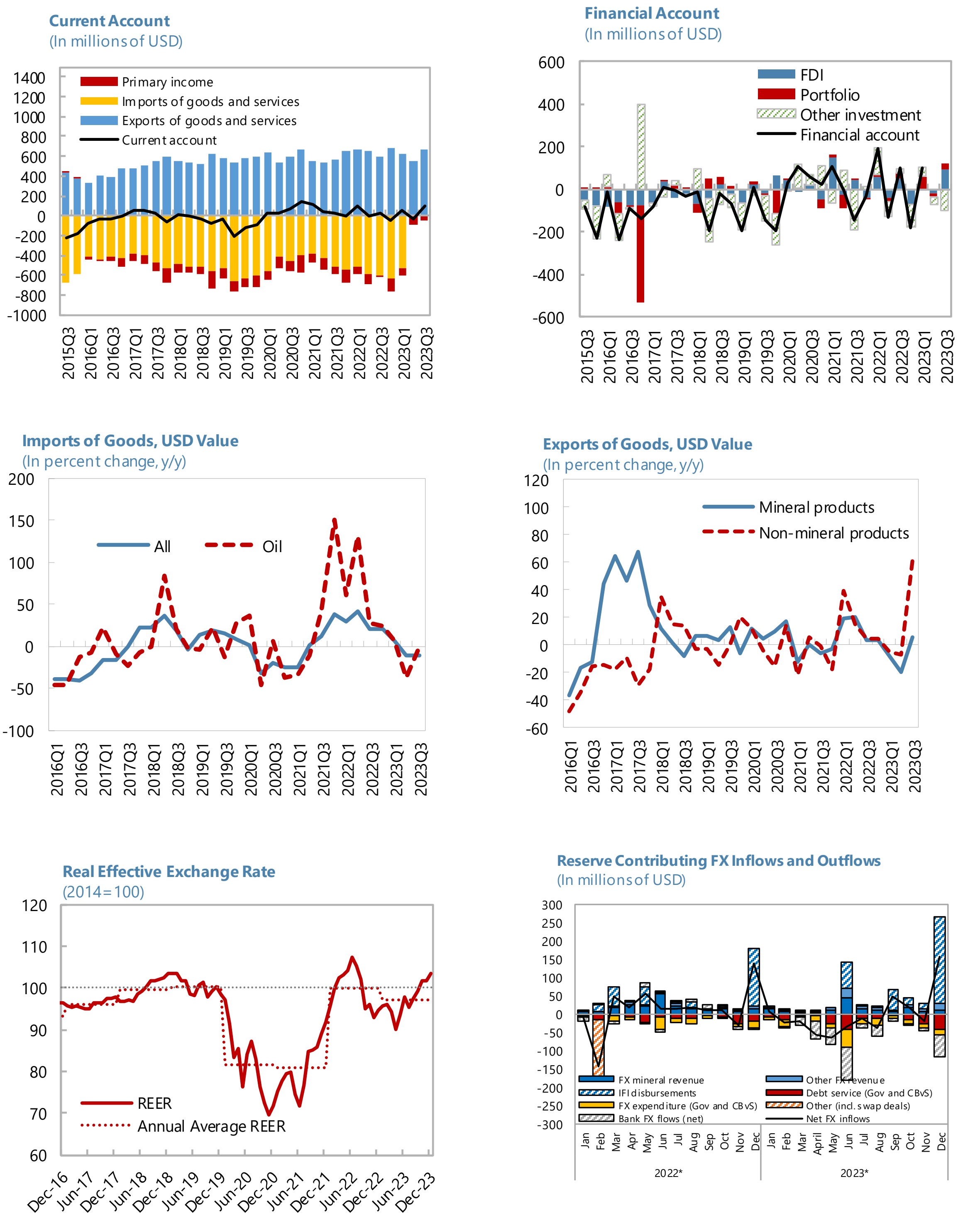
Figure 2. Suriname: Fiscal Developments, 2012–23

(In percent of GDP)



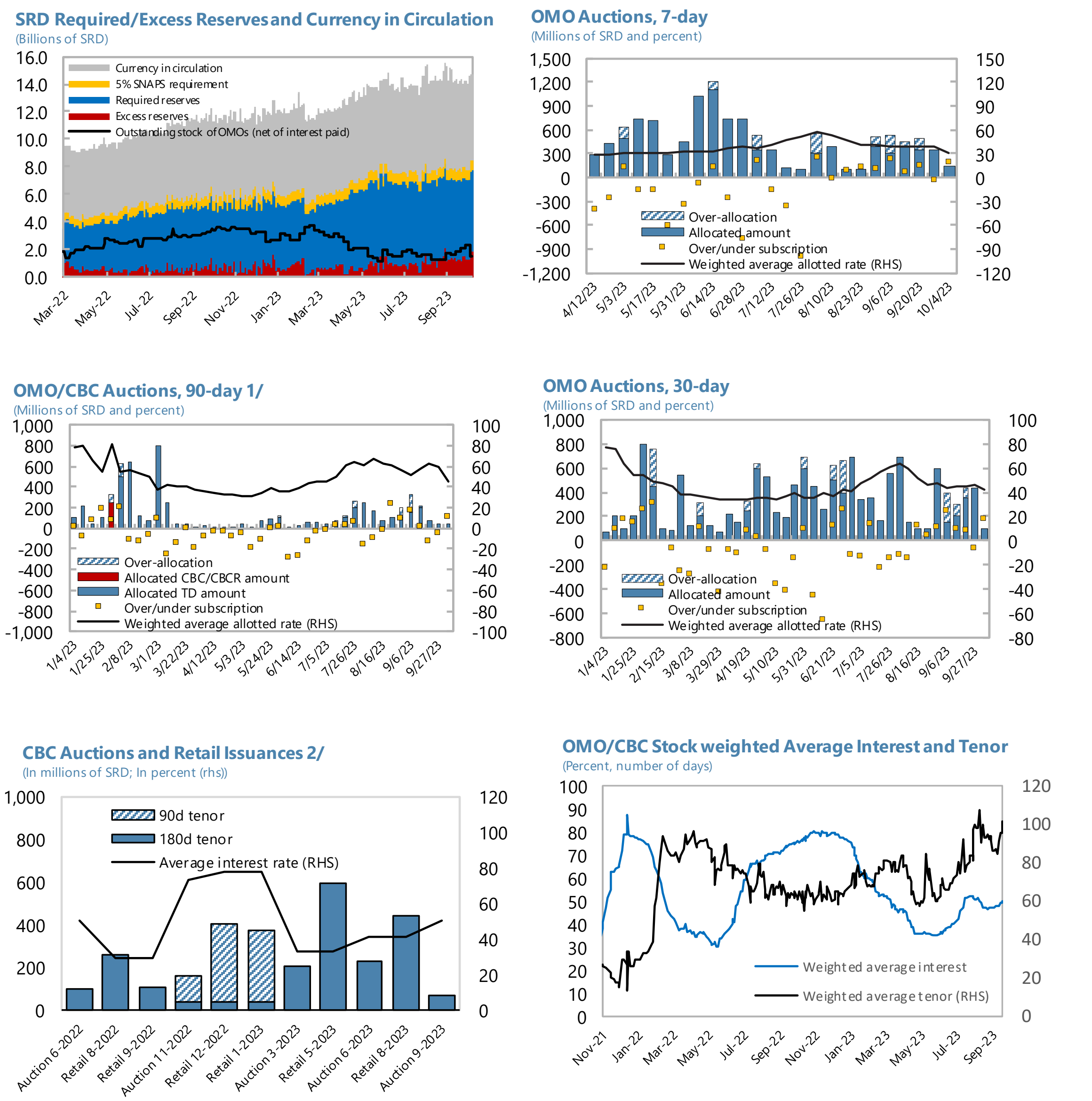
Sources: Ministry of Finance; and IMF staff estimates.

Figure 3. Suriname: External Sector Developments



Sources: International Financial Statistics (IFS); Central Bank of Suriname; and IMF staff estimates.

Figure 4. Suriname: Monetary Developments



Sources: Central Bank of Suriname and IMF staff calculations.
1/ Nov 28 was a wholesale CBC auction.
2/ For individual tenors the retail issuances follow the auction interest rate.

Table 1. Suriname: Selected Economic Indicators

				Est.	Proj.										
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2025	2026	2027	2028	2029
					4th Review		4th Review		4th Review					
Real sector (percent change)														
Real GDP	1.2	-16.0	-2.4	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Nominal GDP	6.4	22.0	56.9	47.3	55.9	54.6	22.5	21.4	17.0	16.7	12.2	10.6	8.1	8.2
GDP deflator	5.2	45.2	60.8	43.8	52.6	51.4	19.0	17.9	13.6	13.3	8.9	7.4	5.0	5.0
Consumer prices (period average)	4.4	34.9	59.1	52.4	52.9	51.6	21.1	20.7	15.3	14.8	9.7	7.6	5.0	5.0
Consumer prices (end of period)	4.2	60.7	60.7	54.6	39.3	32.6	14.9	14.2	11.8	11.0	8.0	6.6	5.0	5.0
Labor market (percent)														
Unemployment rate	8.8	11.1	11.2	10.9	10.6	10.6	10.3	10.3	10.0	10.0	9.9	8.7	8.2	7.7
Labor force participation rate	60.7	58.8	58.2	58.7	59.0	59.0	59.4	59.4	59.8	59.8	60.2	60.6	61.0	61.4
Money and credit (percent change)														
Broad money	4.7	65.0	45.3	45.1	22.8	19.5	14.0	8.1	15.5	16.9	10.4	9.7	8.1	6.4
Broad money (percent of GDP)	60.7	82.1	76.0	74.9	59.0	57.9	54.9	51.6	54.2	51.6	50.8	50.4	50.4	49.6
Reserve money	92.8	33.6	48.0	44.8	3.4	4.9	13.8	8.8	19.1	13.5	12.2	10.6	8.1	6.9
Reserve money (percent of GDP)	30.2	33.1	31.2	30.7	20.4	20.8	18.9	18.7	19.3	18.2	18.2	18.2	18.2	17.9
Private sector credit	0.4	27.2	18.5	65.7	26.1	15.2	13.8	18.2	10.1	12.6	10.8	10.2	8.6	8.6
Private sector credit (in real terms)	-3.6	-20.9	-26.3	7.2	-9.5	-13.1	-1.0	3.5	-1.5	1.4	2.6	3.4	3.4	3.4
Private sector credit (percent of GDP)	23.0	24.0	18.1	20.4	16.5	15.2	15.3	14.8	14.4	14.3	14.1	14.1	14.1	14.2
Central government (percent of GDP)														
Revenue and grants	20.3	18.2	26.4	26.8	25.7	24.9	25.4	24.8	25.8	25.1	25.1	25.1	25.1	25.1
Total expenditure	40.5	30.2	32.1	29.5	26.7	26.4	26.5	25.8	26.1	25.4	25.5	25.6	25.5	25.4
Of which: Primary expenditure	37.6	26.6	26.9	25.8	24.0	23.6	22.7	22.0	22.3	21.6	21.6	21.6	21.6	21.6
Statistical discrepancy	3.5	-5.5	0.2	2.3	0.0	-3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (net lending/borrowing) 1/	-20.2	-12.0	-5.7	-2.7	-1.0	-1.5	-1.1	-1.0	-0.2	-0.2	-0.3	-0.4	-0.3	-0.2
Primary balance	-17.3	-8.3	-0.5	1.0	1.6	1.3	2.7	2.7	3.5	3.5	3.5	3.5	3.5	3.5
Non-resource primary balance	-23.5	-14.8	-12.7	-13.2	-9.1	-9.3	-7.2	-6.7	-8.8	-6.3	-6.4	-6.4	-6.3	-6.3
Net acquisition of financial assets 2/	-2.7	2.2	-0.4	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	14.0	19.7	5.0	0.4	1.0	5.1	1.1	1.0	-0.3	0.2	0.3	0.4	0.3	0.2
Net domestic financing	9.1	17.8	0.7	-7.8	-5.3	-2.9	-2.9	-5.3	1.1	-1.1	0.2	1.9	2.1	2.7
Net external financing	4.9	0.3	-1.8	3.6	6.3	8.0	4.0	6.3	-1.5	1.3	0.2	-1.4	-1.7	-2.5
External arrears (net)	0.0	1.7	6.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central government debt 3/ (percent of GDP)	84.0	146.4	115.8	116.8	87.1	91.8	92.1	87.9	85.7	82.2	78.3	74.1	71.0	67.3
Domestic	30.9	53.6	40.4	29.0	14.0	20.3	18.0	17.2	15.6	12.9	12.4	13.6	15.1	17.1
o/w: change due to GDP deflator movement	-1.2	-9.6	-20.3	-12.3	-9.4	-9.8	-2.2	-3.1	-2.2	-2.0	-1.1	-0.9	-0.6	-0.7
External	53.2	92.8	75.4	87.7	73.2	71.5	74.1	70.7	70.2	69.3	65.9	60.5	55.9	50.2
o/w: change due to exchange rates movement	5.0	48.0	12.1	27.1	13.7	9.2	...	...	...	...	...	...	...	...
o/w: change due to GDP deflator movement	-2.2	-16.6	-35.1	-23.0	-30.3	-29.8	-11.7	-10.9	-8.9	-8.3	-5.7	-4.5	-2.9	-2.7
External sector (percent of GDP)														
Current account balance	-11.2	8.9	5.7	2.1	2.4	2.4	2.3	2.1	0.9	1.8	1.7	1.6	1.4	1.3
Capital and financial account	-12.7	6.5	10.1	10.8	10.6	6.5	5.5	7.1	1.8	3.2	0.7	0.8	0.4	1.0
Overall balance	-5.8	-1.5	5.8	-5.4	-8.1	-4.2	-3.2	-5.0	-0.9	-1.4	0.9	0.8	1.0	0.4
Financing	5.8	1.5	-5.8	5.4	8.1	4.2	3.2	5.0	0.9	1.4	-0.9	-0.8	-1.0	-0.4
Change in reserves (- = increase)	6.3	2.9	-13.5	-6.2	0.0	-4.0	-6.5	-4.8	-0.5	-0.5	-0.7	-0.4	0.1	1.3
Official financing	-0.5	-1.4	1.1	7.0	8.2	8.2	9.7	9.8	1.4	1.9	-0.3	-0.4	-1.0	-1.7
External arrears (net)			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items														
GDP at current prices (SRD billions)	31.7	38.7	60.7	89.5	139.5	138.4	170.9	168.0	199.9	196.0	219.8	243.1	262.8	284.4
Terms of trade (percent change)	7.6	28.7	-20.1	-9.2	1.4	1.4	-2.6	-2.8	-2.5	-2.2	-1.4	-0.9	-1.1	-1.2
Gross international reserves (USD millions)	648	585	992	1,195	1,196	1,346	1,464	1,554	1,488	1,580	1,611	1,629	1,627	1,555
In percent of Reserve adequacy (risk-weighted measure) 4/	77	73	112	135	135	149	159	169	161	168	173	177	179	175
In months of imports	4.2	3.7	5.1	6.4	6.4	7.2	7.6	8.0	7.3	7.8	7.8	7.6	7.3	6.6
Usable gross international reserves (USD millions) 5/	505	129	512	865	962	1,112	1,230	1,320	1,253	1,345	1,377	1,395	1,392	1,321
In percent of Reserve adequacy (risk-weighted measure)	60	16	58	98	109	123	134	144	136	143	148	152	153	148
In months of imports	3.3	0.8	2.6	4.6	5.1	5.9	6.4	6.8	6.2	6.6	6.7	6.5	6.2	5.6
REER based on weighted average ER (percent change, + = appreciation)	0.7	-19.0	-0.6	8.4	-2.7	-2.7	...	...	...	...	...	...	...	...
Nominal effective exchange rate (percent change, + = appreciation)	-1.5	-37.0	-36.5	-20.1	-33.7	-33.2	...	...	...	...	...	...	...	...
Inflation differential	2.2	28.6	56.6	35.6	46.8	45.6	...	...	...	...	...	...	...	...
REER based on official ER (percent change, + = appreciation) 6/	4.5	12.4	-20.4	8.4	-2.7	-2.7	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	31.7	39.2	36.7	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	24.6	37.2	36.9	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	31.7	39.2	36.7	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, period average) 6/	7.9	13.3	19.7	24.6	37.2	36.9	...	...	...	...	...	...	...	...
Gold production (growth rate)	-3.7	-10.3	-6.6	4.5	12.5	12.5	1.6	1.6	1.2	1.2	1.3	1.3	1.3	1.3
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,923	1,943	1,978	2,061	2,072	2,151	2,284	2,326	2,326	2,326
Growth Rate	9.7	27.1	1.7	0.1	6.7	7.9	2.9	6.1	4.8	4.3	6.2	1.8	0.0	0.0
Oil price (USD per barrel)	61.4	41.8	69.2	96.4	80.5	80.6	79.9	77.7	76.0	73.8	70.9	69.0	67.9	67.4
Growth Rate	-10.4	-32.0	65.8	39.2	-16.5	-16.4	-0.7	-3.6	-4.9	-5.0	-4.0	-2.7	-1.6	-0.7

Sources: Surinamese authorities and Fund staff calculations and projections.

1/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy.

2/ Includes acquisition of stake in gold mine and loans to state-owned enterprises.

3/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname. Staff's definition also includes Suriname's debt to IMF.

4/ Based on IMF, 2015, "Assessing Reserve Adequacy."

5/ Excluding the PBOC swap and ring-fenced reserves.

6/ The weight of the official exchange rate is 30 percent and that of the parallel market exchange rate is 70 percent in this measure. Fiscal and monetary sectors in this macro-framework use the official rate (except for public debt which uses the weighted average exchange rate), and real and BOP sectors use the weighted average exchange rate. The official and parallel market exchange rates converged in June 2021.

Table 2. Suriname: Real Sector, by Expenditures 1/

(Percent change, unless otherwise indicated)

	Est. 2022	2023 4th Review	2023	2024 4th Review	2024	2025 4th Review	Proj. 2025	2026	2027	2028	2029
Growth rates (constant prices)											
Real GDP	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Private Absorption	4.4	0.2	0.0	1.2	1.9	3.7	3.5	2.9	2.9	3.2	3.0
Public Consumption	-16.6	-7.0	-7.0	4.3	-0.9	-0.4	0.7	2.2	2.9	3.0	3.0
Public Gross Investment	44.8	14.9	25.8	32.8	31.3	12.3	8.7	3.0	3.0	3.0	3.0
Exports	7.8	8.1	8.1	4.1	4.4	2.9	2.9	2.3	3.6	2.7	3.5
Imports	8.0	1.9	2.1	2.5	3.2	4.5	4.3	1.7	3.4	3.2	3.5
Contributions (constant prices)											
Real GDP growth	2.4	2.1	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Private Absorption	3.6	0.1	0.0	1.0	1.5	3.0	2.9	2.4	2.4	2.6	2.4
Public Consumption	-2.1	-0.7	-0.7	0.4	-0.1	0.0	0.1	0.2	0.3	0.3	0.3
Public Gross Investment	0.7	0.3	0.6	0.8	0.9	0.4	0.3	0.1	0.1	0.1	0.1
Net Exports	0.1	2.4	2.3	0.7	0.6	-0.4	-0.3	0.3	0.3	0.0	0.2
Growth rates (current prices)											
Nominal GDP	47.3	55.9	54.6	22.5	21.4	17.0	16.7	12.2	10.6	8.1	8.2
Private Absorption	63.5	48.4	46.6	23.1	24.1	21.1	20.0	13.0	11.3	9.3	9.1
Public Consumption	27.2	42.1	42.7	26.4	19.8	14.9	15.6	12.2	10.6	8.1	8.2
Public Gross Investment	108.2	75.4	90.4	58.0	54.8	27.6	23.2	12.2	10.6	8.1	8.2
Exports	41.4	55.8	54.6	13.6	7.2	10.7	10.7	8.8	8.2	6.0	5.8
Imports	56.1	44.8	43.9	14.8	9.1	15.3	14.7	9.7	9.0	7.7	7.1
Contributions (current prices)											
Nominal GDP growth	47.3	55.9	54.6	22.5	21.4	17.0	16.7	12.2	10.6	8.1	8.2
Private Absorption	45.1	38.1	36.7	17.3	18.0	15.9	15.3	10.3	8.9	7.4	7.4
Public Consumption	3.7	5.0	5.0	2.8	2.2	1.7	1.7	1.3	1.1	0.9	0.9
Public Gross Investment	1.8	1.7	2.1	1.5	1.5	0.9	0.8	0.5	0.4	0.3	0.3
Net Exports	-3.3	11.1	10.8	0.8	-0.3	-1.5	-1.1	0.1	0.1	-0.5	-0.3
Deflators (Growth Rates)											
GDP	43.8	52.6	51.4	19.0	17.9	13.6	13.3	8.9	7.4	5.0	5.0
Private Absorption	56.7	48.1	46.7	21.7	21.9	16.9	15.9	9.9	8.2	5.9	6.0
Public Consumption	52.4	52.9	53.5	21.1	20.8	15.3	14.8	9.7	7.5	5.0	5.0
Public Gross Investment	43.8	52.6	51.4	19.0	17.9	13.6	13.3	8.9	7.4	5.0	5.0
Exports of goods and services	31.3	44.1	43.0	9.1	2.7	7.5	7.6	6.4	4.5	3.2	2.3
Imports of goods and services	44.6	42.1	41.0	12.0	5.7	10.3	10.0	7.9	5.4	4.4	3.5
CPI	52.4	52.9	51.6	21.1	20.7	15.3	14.8	9.7	7.6	5.0	5.0
GDP (current prices, USD billions)	3.6	3.8	3.8	...	...	...	...	...	...	…	…
GDP (current prices, SRD billions)	89.5	139.5	138.4	170.9	168.0	199.9	196.0	219.8	243.1	262.8	284.4
GDP deflator (Index = 100 in 2015)	593	905	898	1077	1059	1224	1200	1306	1403	1473	1547

Sources: IMF staff calculations and projections.

1/ Historical values are not shown due to lack of official GDP estimates by expenditure.

Table 3. Suriname: Central Government Operations

(Millions of SRD)

				Est.	Proj.									
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2025	2026	2027	2028	2029
					4th Review		4th Review 1/		4th Review 1/					
Revenues	**6,434**	**7,066**	**16,010**	**24,021**	**35,814**	**34,431**	**42,660**	**41,602**	**51,021**	**49,275**	**55,264**	**61,124**	**66,088**	**71,502**
Taxes	4,717	5,133	11,831	16,649	23,117	22,159	29,171	27,552	35,080	33,345	37,205	40,693	44,504	48,869
Direct taxes	2,543	2,924	8,137	11,126	13,206	12,460	15,923	14,680	19,165	17,837	19,711	21,196	23,198	25,901
Of which: mineral taxes	910	1,452	4,502	7,070	6,193	6,308	6,991	6,875	13,121	8,732	9,498	9,900	10,986	12,688
Indirect taxes	2,173	2,209	3,693	5,523	9,912	9,699	13,247	12,872	15,915	15,508	17,494	19,497	21,306	22,968
Grants	0	0	140	87	664	363	0	443	0	0	0	0	0	0
Non-tax revenues	1,718	1,934	4,039	7,285	12,033	11,910	13,489	13,607	15,941	15,930	18,059	20,431	21,583	22,633
Of which:														
Mineral resource revenues	1,054	1,058	2,864	5,706	8,817	8,308	9,254	8,924	10,986	10,565	12,174	14,067	14,703	15,189
Expenditures	**12,852**	**11,695**	**19,465**	**26,427**	**37,231**	**36,549**	**44,593**	**43,293**	**51,515**	**49,699**	**55,982**	**62,154**	**66,983**	**72,158**
Primary expenditures	11,939	10,283	16,339	23,099	33,520	32,626	38,047	36,989	44,023	42,416	47,571	52,615	56,888	61,549
Compensation of employees	3,251	4,035	4,664	7,274	9,340	9,332	11,532	11,252	13,493	13,126	14,722	16,283	17,605	19,048
Other primary current expenditure	6,596	5,404	10,693	13,778	20,592	19,397	20,845	19,705	23,295	21,860	24,517	27,116	29,318	31,720
Of which: fuel and electricity subsidies			2,326	4,590	4,199	4,657	765	800	0	0	0	0	0	0
Of which: cash transfer programs		604	892	1,717	3,962	3,077	5,126	5,122	5,998	5,975	6,592	7,291	7,883	8,529
Net acquisition of nonfinancial assets	2,092	845	983	2,047	3,589	3,897	5,670	6,032	7,235	7,430	8,333	9,216	9,965	10,781
Interest	913	1,411	3,126	3,329	3,711	3,923	6,546	6,304	7,491	7,283	8,411	9,539	10,095	10,609
					0		0		0					
Overall balance (net lending/borrowing) 2/	**-6,418**	**-4,629**	**-3,455**	**-2,406**	**-1,417**	**-2,118**	**-1,933**	**-1,691**	**-494**	**-424**	**-718**	**-1,030**	**-895**	**-656**
Of which: primary balance	**-5,505**	**-3,217**	**-329**	**923**	**2,294**	**1,805**	**4,613**	**4,613**	**6,998**	**6,859**	**7,693**	**8,509**	**9,200**	**9,953**
of which overdue VAT refunds 3/						**594**		**0**		**0**	**0**	**0**	**0**	**0**
Overall balance (with VAT refunds on accrual basis)						**-2,712**		**-1,691**		**6,859**	**7,693**	**8,509**	**9,200**	**9,953**
Net financial transactions	**-5,315**	**-6,771**	**-3,325**	**-378**	**-1,417**	**-6,921**	**-1,933**	**-1,691**	**-494**	**-424**	**-718**	**-1,030**	**-895**	**-656**
Net acquisition of financial assets 4/	-869	869	-267	0	0	130	0	0	0	0	0	0	0	0
Net incurrence of liabilities	4,446	7,640	3,058	378	1,417	7,050	1,933	1,691	-683	424	718	1,030	895	656
Domestic (Net)	1,947	6,000	-2,328	-5,225	-4,676	-7,537	-2,705	-2,339	4,005	1,341	373	4,520	5,391	7,644
Amortizations	-1,257	-1,076	-2,846	-1,474	-5,011	-4,796	-3,298	-2,410	-2,395	-1,493	-1,470	-3,649	-5,183	-5,224
Central bank	0	0	0	0	0	0	0	0	-224	-224	-337	-337	-337	-337
Commercial banks	-1,204	0	-1,954	-629	-2,949	-2,942	-1,649	-1,205	-1,085	-635	-567	-1,656	-2,423	-2,444
Suppliers credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other domestic 5/	-53	-1,076	-892	-844	-2,062	-1,854	-1,649	-1,205	-1,085	-635	-567	-1,656	-2,423	-2,444
Disbursements	3,205	7,075	518	-3,751	335	-2,741	593	71	6,400	2,834	1,843	8,168	10,574	12,868
Central bank	1,451	4,986	-1,478	-4,463	0	-3,629	0	0	4,000	4,000	0	0	0	0
Claims on government	1,391	6,232	252	0	0	0	0	0	0	0	0	0	0	0
Liabilities to government	-60	1,247	1,730	4,463	0	3,629	0	0	-4,000	-4,000	0	0	0	0
Commercial banks	1,261	862	796	-168	167	85	297	36	1,200	-583	922	4,084	5,287	6,434
Suppliers credit	439	152	0	0	0	0	0	0	0	0	0	0	0	0
Other domestic 5/	53	1,076	1,200	880	167	803	297	36	1,200	-583	922	4,084	5,287	6,434
Domestic arrears	938	877	2,748	-1,757	-2,666	3,529	-2,272	-6,601	-1,727	-3,481	0	0	0	0
Accumulation of arrears	938	877	3,359	1,683	1,672	5,078	0	0	0	0	0	0	0	0
of which: VAT Refund arrears 3/						594		0		0	0	0	0	0
Payment of arrears	0	0	-611	-3,440	-4,338	-1,549	-2,272	-6,601	-1,727	-3,481	0	0	0	0
of which: payment of VAT Refund arrears 3/								-611						
Foreign (Net)	1,561	107	-1,086	3,214	8,783	11,081	6,910	10,631	-2,961	2,564	345	-3,489	-4,496	-6,988
Amortizations	-722	-431	-2,922	-4,968	-2,471	-2,449	-5,680	-4,327	-5,329	-4,008	-3,056	-10,113	-11,086	-13,185
IFIs	-353	-349	-1,119	-1,960	-2,090	-2,126	-2,265	-2,123	-3,017	-2,827	-3,056	-3,072	-3,453	-3,128
Official bilateral	-212	-47	-257	-1,446	-381	-316	-3,416	-2,204	-2,318	-1,181	0	-2,011	-2,079	-3,821
Commercial	-157	-35	-1,546	-1,563	0	-7	0	0	6	0	0	-5,030	-5,554	-6,236
Disbursements	2,432	914	1,014	1,954	1,851	4,215	2,136	4,200	2,368	4,409	4,012	7,694	9,338	10,900
IFIs	303	530	1,006	1,954	1,851	4,215	2,194	4,200	2,435	4,409	4,396	4,254	3,943	3,555
Official bilateral	1,059	200	8	0	0	0	0	0	0	0	0	0	0	0
Commercial	1,070	184	0	0	0	0	-59	0	-67	0	-384	3,440	5,395	7,345
Official financing	-149	-376	822	6,228	9,402	9,314	10,454	10,758	0	2,163	-611	-1,070	-2,748	-4,703
O/w: IMF	-149	-376	822	1,299	3,826	3,781	4,256	3,979	0	1,098	-611	-1,070	-2,748	-4,703
Purchases	0	0	1,204	1,299	3,826	3,781	4,256	3,979	0	1,098	0	0	0	0
Repurchases	-149	-376	-381	0	0	0	0	0	0	0	-611	-1,070	-2,748	-4,703
O/w: IFIs	0	0	0	4,928	5,576	5,533	6,198	6,778	0	1,065	0	0	0	0
External arrears (net)	0	656	3,724	4,145	-23	-23	0	0	0	0	0	0	0	0
Statistical discrepancy	1,103	-2,142	131	2,028	0	-4,803	0	0	0	0	0	0	0	0
Memorandum items:														
Primary cash balance 6/	…	…	2,261	1,466	1,829	477	2,341	26	5,047	3,153	7,356	8,172	8,863	9,617
Gross financing needs (incl. IMF debt service)	8,546	6,512	10,477	12,287	13,260	11,064	13,184	15,028	9,945	9,407	5,856	15,863	19,912	23,768
Electricity subsidy financed through the budget	1,492	881	2,326	2,986	3,805	4,082	765	800	0	0	0	0	0	0
Non-resource balance	-8,382	-7,138	-10,821	-13,440	-16,435	-16,734	-18,871	-17,490	-25,060	-19,721	-22,390	-24,998	-26,585	-28,534
Non-resource primary balance	-7,469	-5,727	-7,695	-11,853	-12,716	-12,811	-12,293	-11,186	-17,678	-12,437	-13,979	-15,459	-16,490	-17,924
Public (central government) debt 7/	26,664	56,699	70,344	104,459	121,534	126,984	157,331	147,682	171,396	161,164	172,146	180,110	186,551	191,263
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	24.6	37.2	36.9	…	…	…	…	…	…	…	…
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	31.7	39.2	36.7	…	…	…	…	…	…	…	…
Total central government debt interest rate (effective)	3.4	2.5	1.6	1.5	3.2	3.4	4.2	4.4	4.4	4.5	4.9	5.3	5.4	5.5
Domestic central government debt interest rate (effective)	2.4	4.7	1.4	1.0	12.6	15.8	8.6	11.2	6.0	7.7	7.2	6.9	6.8	6.5
External central government debt interest rate (effective)	4.2	1.5	1.6	1.5	2.5	2.2	3.5	3.4	4.1	4.1	4.6	5.0	5.1	5.3

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ Staff projections for mineral taxes and compensation of employees at the 4th review were corrected to ensure consistency with the main text table and IMF budget financing was corrected in 2025 to ensure consistency with BoP table.

2/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy. Note, 2021 balances were revised based on new information from authorities.

3/ The VAT refund arrears are converted to debt that is fully amortized in 2024, thereby not affecting the overall balance (cash basis 2024 onwards)

4/ Includes acquisition of stake in gold mine and loans to state owned enterprises.

5/ Comprised of holding of T-bills and notes by non-bank financial institutions.

6/ Defined as net financial transactions (cash-basis) plus net interest payment.

7/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname.

Table 4. Suriname: Central Government Operations

(In percent of GDP)

				Est.	Proj.									
	2019	2020	2021	2022	2023	2023	2024	2024	2025	2025	2026	2027	2028	2029
					4th Review		4th Review1/		4th Review1/					
Revenues	**20.3**	**18.2**	**26.4**	**26.8**	**25.7**	**24.9**	**25.0**	**24.8**	**25.5**	**25.1**	**25.1**	**25.1**	**25.1**	**25.1**
Taxes	14.9	13.3	19.5	18.6	16.6	16.0	17.1	16.4	17.5	17.0	16.9	16.7	16.9	17.2
Direct taxes	8.0	7.6	13.4	12.4	9.5	9.0	9.3	8.7	9.6	9.1	9.0	8.7	8.8	9.1
Of which: mineral taxes	2.9	3.7	7.4	7.9	4.4	4.6	4.1	4.1	6.6	4.5	4.3	4.1	4.2	4.5
Indirect taxes	6.8	5.7	6.1	6.2	7.1	7.0	7.8	7.7	8.0	7.9	8.0	8.0	8.1	8.1
Grants	0.0	0.0	0.2	0.1	0.5	0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Non-tax revenues	5.4	5.0	6.7	8.1	8.6	8.6	7.9	8.1	8.0	8.1	8.2	8.4	8.2	8.0
Of which:														
Mineral resource revenues	3.3	2.7	4.7	6.4	6.3	6.0	5.4	5.3	5.5	5.4	5.5	5.8	5.6	5.3
Expenditures	**40.5**	**30.2**	**32.1**	**29.5**	**26.7**	**26.4**	**26.1**	**25.8**	**25.8**	**25.4**	**25.5**	**25.6**	**25.5**	**25.4**
Primary expenditures	37.6	26.6	26.9	25.8	24.0	23.6	22.3	22.0	22.0	21.6	21.6	21.6	21.6	21.6
Compensation of employees	10.2	10.4	7.7	8.1	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Other primary current expenditure	20.8	14.0	17.6	15.4	14.8	14.0	12.2	11.7	11.7	11.2	11.2	11.2	11.2	11.2
Of which: fuel and electricity subsidies			3.8	5.1	3.0	3.4	0.4	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Of which: cash transfer programs		1.6	1.5	1.9	2.8	2.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Net acquisition of nonfinancial assets	6.6	2.2	1.6	2.3	2.6	2.8	3.3	3.6	3.6	3.8	3.8	3.8	3.8	3.8
Interest	2.9	3.6	5.1	3.7	2.7	2.8	3.8	3.8	3.7	3.7	3.8	3.9	3.8	3.7
Overall balance (net lending/borrowing) 2/	**-20.2**	**-12.0**	**-5.7**	**-2.7**	**-1.0**	**-1.5**	**-1.1**	**-1.0**	**-0.2**	**-0.2**	**-0.3**	**-0.4**	**-0.3**	**-0.2**
Of which: primary balance	**-17.3**	**-8.3**	**-0.5**	**1.0**	**1.6**	**1.3**	**2.7**	**2.7**	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**
of which overdue VAT refunds 3/	**-**	**-**	**-**	**-**	**-**	**0.4**	**-**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall balance (with VAT refunds on accrual basis)	**-**	**-**	**-**	**-**	**-**	**-2.0**	**-**	**-1.0**	**-0.2**	**-0.2**	**-0.3**	**-0.4**	**-0.3**	**-0.2**
Net financial transactions	**-16.7**	**-17.5**	**-5.5**	**-0.4**	**-1.0**	**-5.0**	**-1.1**	**-1.0**	**-0.2**	**-0.2**	**-0.3**	**-0.4**	**-0.3**	**-0.2**
Net acquisition of financial assets 4/	-2.7	2.2	-0.4	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	14.0	19.7	5.0	0.4	1.0	5.1	1.1	1.0	-0.3	0.2	0.3	0.4	0.3	0.2
Domestic (Net)	6.1	15.5	-3.8	-5.8	-3.4	-5.4	-1.6	-1.4	2.0	0.7	0.2	1.9	2.1	2.7
Amortizations	-4.0	-2.8	-4.7	-1.6	-3.6	-3.5	-1.9	-1.4	-1.2	-0.8	-0.7	-1.5	-2.0	-1.8
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1
Commercial banks	-3.8	0.0	-3.2	-0.7	-2.1	-2.1	-1.0	-0.7	-0.5	-0.3	-0.3	-0.7	-0.9	-0.9
Suppliers credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic 5/	-0.2	-2.8	-1.5	-0.9	-1.5	-1.3	-1.0	-0.7	-0.5	-0.3	-0.3	-0.7	-0.9	-0.9
Disbursements	10.1	18.3	0.9	-4.2	0.2	-2.0	0.3	0.0	3.2	1.4	0.8	3.4	4.0	4.5
Central bank	4.6	12.9	-2.4	-5.0	0.0	-2.6	0.0	0.0	2.0	2.0	0.0	0.0	0.0	0.0
Claims on government	4.4	16.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to government	-0.2	3.2	2.8	5.0	0.0	2.6	0.0	0.0	-2.0	-2.0	0.0	0.0	0.0	0.0
Commercial banks	4.0	2.2	1.3	-0.2	0.1	0.1	0.2	0.0	0.6	-0.3	0.4	1.7	2.0	2.3
Suppliers credit	1.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other domestic 5/	0.2	2.8	2.0	1.0	0.1	0.6	0.2	0.0	0.6	-0.3	0.4	1.7	2.0	2.3
Domestic arrears	3.0	2.3	4.5	-2.0	-1.9	2.6	-1.3	-3.9	-0.9	-1.8	0.0	0.0	0.0	0.0
Accumulation of arrears	3.0	2.3	5.5	1.9	1.2	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
of which: VAT Refund arrears	-	-	-	-	-	0.4	-	-	-	-	-	-	-	-
Payment of arrears	0.0	0.0	-1.0	-3.8	-3.1	-1.1	-1.3	-3.9	-0.9	-1.8	0.0	0.0	0.0	0.0
of which: payment of VAT Refund arrears	-	-	-	-	-		-	-0.4	-	-	-	-	-	-
Foreign (Net)	4.9	0.3	-1.8	3.6	6.3	8.0	4.0	6.3	-1.5	1.3	0.2	-1.4	-1.7	-2.5
Amortizations	-2.3	-1.1	-4.8	-5.6	-1.8	-1.8	-3.3	-2.6	-2.7	-2.0	-1.4	-4.2	-4.2	-4.6
IFIs	-1.1	-0.9	-1.8	-2.2	-1.5	-1.5	-1.3	-1.3	-1.5	-1.4	-1.4	-1.3	-1.3	-1.1
Official bilateral	-0.7	-0.1	-0.4	-1.6	-0.3	-0.2	-2.0	-1.3	-1.2	-0.6	0.0	-0.8	-0.8	-1.3
Commercial	-0.5	-0.1	-2.5	-1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.1	-2.1	-2.2
Disbursements	7.7	2.4	1.7	2.2	1.3	3.0	1.3	2.5	1.2	2.2	1.8	3.2	3.6	3.8
IFIs	1.0	1.4	1.7	2.2	1.3	3.0	1.3	2.5	1.2	2.3	2.0	1.8	1.5	1.3
Official bilateral	3.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	3.4	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	1.4	2.1	2.6
Official financing	-0.5	-1.0	1.4	7.0	6.7	6.7	6.1	6.4	0.0	1.1	-0.3	-0.4	-1.0	-1.7
O/w: IMF	-0.5	-1.0	1.4	1.5	2.7	2.7	2.5	2.4	0.0	0.6	-0.3	-0.4	-1.0	-1.7
Purchases	0.0	0.0	2.0	1.5	2.7	2.7	2.5	2.4	0.0	0.6	0.0	0.0	0.0	0.0
Repurchases	-0.5	-1.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.4	-1.0	-1.7
O/w: IFIs	0.0	0.0	0.0	5.5	4.0	4.0	3.6	4.0	0.0	0.5	0.0	0.0	0.0	0.0
External arrears (net)	0.0	1.7	6.1	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statistical discrepancy	3.5	-5.5	0.2	2.3	0.0	-3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:														
Primary cash balance 6/	...	...	3.7	1.6	1.3	0.3	1.4	0.0	2.5	1.6	3.3	3.4	3.4	3.4
Gross financing needs (incl. IMF debt service)	26.9	16.8	17.3	13.7	9.5	8.0	7.7	8.9	5.0	4.8	2.7	6.5	7.6	8.4
Electricity subsidy financed through the budget	4.7	2.3	3.8	3.3	2.7	3.0	0.4	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Non-resource balance	-26.4	-18.4	-17.8	-15.0	-11.8	-12.1	-11.0	-10.4	-12.5	-10.1	-10.2	-10.3	-10.1	-10.0
Non-resource primary balance	-23.5	-14.8	-12.7	-13.2	-9.1	-9.3	-7.2	-6.7	-8.8	-6.3	-6.4	-6.4	-6.3	-6.3
Public (central government) debt 7/	84.0	146.4	115.8	116.8	87.1	91.8	92.1	87.9	85.7	82.2	78.3	74.1	71.0	67.3
Official exchange rate (SRD per USD, period average)	7.5	9.3	18.3	24.6	37.2	36.9	...	...	...	...	...	...	...	...
Official exchange rate (SRD per USD, eop)	7.5	14.2	20.8	31.7	39.2	36.7	...	...	...	...	...	...	...	...
Domestic debt interest rate (effective)	2.4	4.7	1.4	1.0	12.6	15.8	8.6	11.2	6.0	7.7	7.2	6.9	6.8	6.5
External debt interest rate (effective)	4.2	1.5	1.6	1.5	2.5	2.2	3.5	3.4	4.1	4.1	4.6	5.0	5.1	5.3

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ Staff projections for mineral taxes and compensation of employees at the 4th review were corrected to ensure consistency with the main text table and IMF budget financing was corrected in 2025 to ensure consistency with BoP table.

2/ The overall balance is computed using net financial transactions, and therefore, includes statistical discrepancy. Note, 2021 balances were revised based on new information from authorities.

3/ The VAT refund arrears are converted to debt that is fully amortized in 2024, thereby not affecting the overall balance (cash basis 2024 onwards)

4/ Includes acquisition of stake in gold mine and loans to state owned enterprises.

5/ Comprised of holding of T-bills and notes by non-bank financial institutions.

6/ Defined as net financial transactions (cash-basis) plus net interest payments.

7/ The debt-to-GDP ratio is different when computed using the definition in the Government Debt Act of Suriname.

Table 5. Suriname: Balance of Payments
(In millions of U.S. dollars, unless otherwise indicated)

	2019	2020	2021	Est. 2022	Proj. 2023 4th Review	2023	2024 4th Review	2024	2025 4th Review	2025	2026	2027	2028	2029
Current account	**-448**	**260**	**176**	**76**	**90**	**89**	**94**	**92**	**39**	**85**	**80**	**79**	**75**	**74**
Exports of goods and services	2,287	2,447	2,300	2,600	2,685	2,686	2,744	2,742	2,760	2,760	2,788	2,880	2,954	3,055
Imports of goods and services	2,413	1,845	1,876	2,342	2,247	2,251	2,321	2,339	2,432	2,439	2,484	2,584	2,691	2,816
Trade balance, goods	**532**	**1,061**	**865**	**755**	**898**	**895**	**850**	**829**	**755**	**742**	**711**	**695**	**651**	**599**
Exports, f.o.b.	2,129	2,344	2,204	2,457	2,515	2,515	2,519	2,506	2,495	2,482	2,480	2,531	2,560	2,593
Of which: gold, petroleum	1,903	2,114	1,996	2,218	2,281	2,282	2,271	2,263	2,242	2,234	2,228	2,246	2,267	2,291
Imports, f.o.b.	1,598	1,282	1,338	1,701	1,617	1,620	1,669	1,677	1,740	1,741	1,769	1,836	1,909	1,994
Trade balance, services	**-658**	**-460**	**-442**	**-497**	**-460**	**-461**	**-427**	**-426**	**-427**	**-421**	**-407**	**-399**	**-388**	**-360**
Exports	157	103	96	143	170	170	225	236	265	277	308	349	394	461
Imports	815	563	538	640	630	631	652	662	692	698	714	748	782	821
Primary income, net	**-412**	**-466**	**-393**	**-308**	**-464**	**-461**	**-436**	**-416**	**-392**	**-337**	**-320**	**-311**	**-282**	**-258**
Credit	21	8	7	12	12	12	13	13	13	13	13	13	14	14
Debit	433	474	400	320	476	473	449	429	405	350	333	325	296	272
Secondary income, net	**90**	**124**	**146**	**126**	**116**	**116**	**107**	**106**	**103**	**101**	**96**	**95**	**94**	**93**
Capital and financial account	**-508**	**189**	**311**	**392**	**396**	**245**	**227**	**310**	**79**	**148**	**35**	**39**	**23**	**53**
Capital account	**-3**	**0**	**37**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial account	**-505**	**189**	**274**	**392**	**396**	**245**	**227**	**310**	**79**	**148**	**35**	**39**	**23**	**53**
Foreign direct investment	8	0	124	-3	64	69	13	39	-14	7	21	-11	-2	28
Portfolio investment	-117	-35	-47	19	0	0	0	0	0	0	0	0	0	0
Central government	125	0	0	0	0	0	0	0	0	0	0	1	2	3
Other investment	-397	225	197	376	332	176	214	271	93	141	14	50	25	25
Net Acquisition of Assets	-244	168	-43	-36	0	0	0	0	0	0	0	0	0	0
Net Incurrence of Liabilities	152	-57	-240	-411	-332	-176	-214	-271	-93	-141	-14	-50	-25	-25
Central government	104	52	-104	-122	-17	48	-86	-3	-65	9	21	-50	-35	-45
Disbursements	201	98	55	79	50	114	52	108	52	103	87	160	188	214
IFIs	41	57	55	79	50	114	53	108	54	103	96	88	79	70
Official bilateral	142	21	0	0	0	0	0	0	0	0	0	0	0	0
Commercial	19	20	0	0	0	0	-1	0	-1	0	-8	72	109	144
Amortization	97	46	159	202	66	66	137	112	117	94	67	210	223	259
IFIs	47	37	61	80	56	58	55	55	66	66	67	64	69	61
Official bilateral	28	5	14	59	10	9	83	57	51	28	0	42	42	75
Commercial	21	4	84	63	0	0	0	0	0	0	0	105	112	123
Other Sectors (including SOE)	48	-109	-136	-289	-315	-224	-128	-267	-28	-150	-35	0	10	20
Errors and omissions	**-289**	**-114**	**240**	**118**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Overall balance	**-234**	**-43**	**179**	**-198**	**-306**	**-156**	**-133**	**-217**	**-39**	**-63**	**45**	**41**	**53**	**21**
Financing	**234**	**43**	**-179**	**198**	**306**	**156**	**133**	**217**	**39**	**63**	**-45**	**-41**	**-53**	**-21**
Change in reserves (- = increase)	254	83	-416	-225	-1	-152	-268	-208	-23	-25	-32	-18	3	72
Official financing	-20	-40	34	254	308	308	401	426	63	88	-13	-22	-55	-92
O/w: IMF	-20	-40	34	54	158	158	251	251	63	63	-13	-22	-55	-92
Purchases	0	0	55	54	158	158	251	251	63	63	0	0	0	0
O/w: for budget support	0	0	56	53	103	103	103	103	0	26	0	0	0	0
Repurchases	20	40	21	0	0	0	0	0	0	0	13	22	55	92
O/w: IFIs	0	0	0	200	150	150	150	175	0	25	0	0	0	0
External arrears (net) 1/			203	168	-1	-1	0	0	0	0	0	0	0	0
Financing from external debt restructuring 2/					114	111	144	0	12	0	0	0	0	1
Memorandum items:														
Gross international reserves	648	585	992	1,195	1,196	1,346	1,464	1,554	1,488	1,580	1,611	1,629	1,627	1,555
In months of imports of goods and services	4.2	3.7	5.1	6.4	6.4	7.2	7.6	8.0	7.3	7.8	7.8	7.6	7.3	6.6
In percent of Reserve adequacy (risk-weighted measure) 3/	77	73	112	135	135	149	159	169	161	168	173	177	179	175
Usable gross international reserves 4/	505	129	512	865	962	1,112	1,230	1,320	1,253	1,345	1,377	1,395	1,392	1,321
In months of imports of goods and services	3.3	0.8	2.6	4.6	5.1	5.9	6.4	6.8	6.2	6.6	6.7	6.5	6.2	5.6
In percent of Reserve adequacy (risk-weighted measure) 3/	60	16	58	98	109	123	134	144	136	143	148	152	153	148
Reserve adequacy (risk-weighted measure), USD millions 3/	843	804	886	885	885	902	920	919	923	938	931	919	907	890
In months of imports	5.5	5.1	4.5	4.7	4.6	4.6	4.5	4.5	4.5	4.5	4.3	4.1	3.9	3.6
GDP (in millions of USD)	4,016	2,912	3,084	3,630.9	3,752	3,751	...	...	...	...	...	...	...	...
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,923	1,943	1,978	2,061	2,072	2,151	2,284	2,326	2,326	2,326
Oil price (USD per barrel)	61	42	69	96	80	81	80	78	76	74	71	69	68	67
Weighted average exchange rate (SRD per USD, period average)	7.9	13.3	19.7	24.6	37.2	36.9	...	...	...	...	...	...	...	...
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	31.7	39.2	36.7	...	...	...	...	...	...	...	...
Real Effective Exchange Rate Change (+=appreciation; percent change; period average)	0.7	-19.0	-0.6	8.4	-2.7	-2.7	...	...	...	...	...	...	...	...
External Debt 5/	3,779	3,650	4,088	4,178	4,194	4,285	4,425	4,431	4,421	4,525	4,459	4,329	4,207	4,046
External debt (Percent of GDP)	99.0	163.4	140.2	148.0	117.9	113.8	111.8	106.6	105.0	102.7	95.6	87.1	80.6	73.0
o/w: Change in external debt due to exchange rate movement	9.8	86.7	21.8	50.3	22.6	15.2	...	...	...	...	...	...	...	...

Sources: Surinamese authorities; and IMF staff calculations and projections.
1/ External arrears in 2020 are implicitly covered in errors and omissions.
2/ Calculated as a difference between the debt restructuring scenario and a scenario without debt restructuring.
3/ Based on IMF, 2015, "Assessing Reserve Adequacy."
4/ Excluding the PBOC swap and ring-fenced reserves.
5/ Includes both private and public sector debt.

Table 6. Suriname: Balance of Payments

(Percent of GDP)

	2019	2020	2021	2022	2023	2023	2024	2024	2025	2025	2026	2027	2028	2029
				Est.	Proj.									
					4th Review		4th Review		4th Review					
Current account	**-11.2**	**8.9**	**5.7**	**2.1**	**2.4**	**2.4**	**2.3**	**2.1**	**0.9**	**1.8**	**1.7**	**1.6**	**1.4**	**1.3**
Exports of goods and services	**56.9**	**84.0**	**74.6**	**71.6**	**71.6**	**71.6**	**66.4**	**63.2**	**62.8**	**60.0**	**58.2**	**57.0**	**55.9**	**54.6**
Imports of goods and services	**60.1**	**63.4**	**60.8**	**64.5**	**59.9**	**60.0**	**56.1**	**53.9**	**55.3**	**53.0**	**51.9**	**51.1**	**50.9**	**50.4**
Trade balance, goods	**13.2**	**36.5**	**28.1**	**20.8**	**23.9**	**23.9**	**20.6**	**19.1**	**17.2**	**16.1**	**14.8**	**13.7**	**12.3**	**10.7**
Exports, f.o.b.	53.0	80.5	71.5	67.7	67.0	67.1	60.9	57.8	56.7	54.0	51.8	50.1	48.4	46.4
Of which: gold, petroleum	47.4	72.6	64.7	61.1	60.8	60.8	54.9	52.2	51.0	48.6	46.5	44.4	42.9	41.0
Imports, f.o.b.	39.8	44.0	43.4	46.9	43.1	43.2	40.4	38.7	39.6	37.8	36.9	36.3	36.1	35.7
Trade balance, services	**-16.4**	**-15.8**	**-14.3**	**-13.7**	**-12.3**	**-12.3**	**-10.3**	**-9.8**	**-9.7**	**-9.1**	**-8.5**	**-7.9**	**-7.3**	**-6.4**
Exports	3.9	3.5	3.1	3.9	4.5	4.5	5.4	5.4	6.0	6.0	6.4	6.9	7.5	8.3
Imports	20.3	19.3	17.4	17.6	16.8	16.8	15.8	15.3	15.7	15.2	14.9	14.8	14.8	14.7
Primary income, net	**-10.3**	**-16.0**	**-12.7**	**-8.5**	**-12.4**	**-12.3**	**-10.5**	**-9.6**	**-8.9**	**-7.3**	**-6.7**	**-6.2**	**-5.3**	**-4.6**
Credit	0.5	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Debit	10.8	16.3	13.0	8.8	12.7	12.6	10.8	9.9	9.2	7.6	7.0	6.4	5.6	4.9
Secondary income, net	**2.2**	**4.3**	**4.7**	**3.5**	**3.1**	**3.1**	**2.6**	**2.4**	**2.3**	**2.2**	**2.0**	**1.9**	**1.8**	**1.7**
Capital and financial account	**-12.7**	**6.5**	**10.1**	**10.8**	**10.6**	**6.5**	**5.5**	**7.1**	**1.8**	**3.2**	**0.7**	**0.8**	**0.4**	**1.0**
Capital account	**-0.1**	**0.0**	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Financial account	**-12.6**	**6.5**	**8.9**	**10.8**	**10.6**	**6.5**	**5.5**	**7.1**	**1.8**	**3.2**	**0.7**	**0.8**	**0.4**	**1.0**
Foreign direct investment	0.2	0.0	4.0	-0.1	1.7	1.8	0.3	0.9	-0.3	0.2	0.4	-0.2	0.0	0.5
Portfolio investment	-2.9	-1.2	-1.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central government	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Other investment	-9.9	7.7	6.4	10.4	8.8	4.7	5.2	6.2	2.1	3.1	0.3	1.0	0.5	0.4
Net Acquisition of Assets	-6.1	5.8	-1.4	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Incurrence of Liabilities	3.8	-2.0	-7.8	-11.3	-8.8	-4.7	-5.2	-6.2	-2.1	-3.1	-0.3	-1.0	-0.5	-0.4
Central government	2.6	1.8	-3.4	-3.4	-0.4	1.3	-2.1	-0.1	-1.5	0.2	0.4	-1.0	-0.7	-0.8
Disbursements	5.0	3.4	1.8	2.2	1.3	3.0	1.3	2.5	1.2	2.2	1.8	3.2	3.6	3.8
IFIs	1.0	2.0	1.8	2.2	1.3	3.0	1.3	2.5	1.2	2.3	2.0	1.8	1.5	1.3
Official bilateral	3.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial	0.5	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	1.4	2.1	2.6
Amortization	2.4	1.6	5.2	5.6	1.8	1.8	3.3	2.6	2.7	2.0	1.4	4.2	4.2	4.6
IFIs	1.2	1.3	2.0	2.2	1.5	1.5	1.3	1.3	1.5	1.4	1.4	1.3	1.3	1.1
Official bilateral	0.7	0.2	0.5	1.6	0.3	0.2	2.0	1.3	1.2	0.6	0.0	0.8	0.8	1.3
Commercial	0.5	0.1	2.7	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	2.1	2.2
Other Sectors (including SOE)	1.2	-3.7	-4.4	-8.0	-8.4	-6.0	-3.1	-6.2	-0.6	-3.3	-0.7	0.0	0.2	0.4
Errors and omissions	**-7.2**	**-3.9**	**7.8**	**3.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall balance	**-5.8**	**-1.5**	**5.8**	**-5.4**	**-8.1**	**-4.2**	**-3.2**	**-5.0**	**-0.9**	**-1.4**	**0.9**	**0.8**	**1.0**	**0.4**
Financing	**5.8**	**1.5**	**-5.8**	**5.4**	**8.1**	**4.2**	**3.2**	**5.0**	**0.9**	**1.4**	**-0.9**	**-0.8**	**-1.0**	**-0.4**
Change in reserves (- = increase)	6.3	2.9	-13.5	-6.2	0.0	-4.0	-6.5	-4.8	-0.5	-0.5	-0.7	-0.4	0.1	1.3
Official financing	-0.5	-1.4	1.1	7.0	8.2	8.2	9.7	9.8	1.4	1.9	-0.3	-0.4	-1.0	-1.7
O/w: IMF	-0.5	-1.4	1.1	1.5	4.2	4.2	6.1	5.8	1.4	1.4	-0.3	-0.4	-1.0	-1.7
Purchases	0.0	0.0	1.8	1.5	4.2	4.2	6.1	5.8	1.4	1.4	0.0	0.0	0.0	0.0
O/w: for budget support	0.0	0.0	1.8	1.5	2.7	2.7	2.5	2.4	0.0	0.6	0.0	0.0	0.0	0.0
Repurchases	0.5	1.4	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	1.0	1.7
O/w: IFIs	0.0	0.0	0.0	5.5	4.0	4.0	3.6	4.0	0.0	0.5	0.0	0.0	0.0	0.0
External arrears (net) 1/			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing from external debt restructuring 2/					3.0	3.0	3.5	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Memorandum items:														
Gross international reserves	648	585	992	1,195	1,196	1,346	1,464	1,554	1,488	1,580	1,611	1,629	1,627	1,555
In months of imports of goods and services	4.2	3.7	5.1	6.4	6.4	7.2	7.6	8.0	7.3	7.8	7.8	7.6	7.3	6.6
In percent of Reserve adequacy (risk-weighted measure) 3/	77	73	112	135	135	149	159	169	161	168	173	177	179	175
Usable gross international reserves 4/	505	129	512	865	962	1,112	1,230	1,320	1,253	1,345	1,377	1,395	1,392	1,321
In months of imports of goods and services	3.3	0.8	2.6	4.6	5.1	5.9	6.4	6.8	6.2	6.6	6.7	6.5	6.2	5.6
In percent of Reserve adequacy (risk-weighted measure) 3/	60	16	58	98	109	123	134	144	136	143	148	152	153	148
Reserve adequacy (risk-weighted measure), USD millions 3/	843	804	886	885	885	902	920	919	923	938	931	919	907	890
In months of imports	5.5	5.1	4.5	4.7	4.6	4.6	4.5	4.5	4.5	4.5	4.3	4.1	3.9	3.6
GDP (in millions of USD)	4,016	2,912	3,084	3,631	3,752	3,751	…	…	…	…	…	…	…	…
Gold price (USD per troy ounce)	1,392	1,770	1,800	1,802	1,923	1,943	1,978	2,061	2,072	2,151	2,284	2,326	2,326	2,326
Oil price (USD per barrel)	61	42	69	96	80	81	80	78	76	74	71	69	68	67
Weighted average exchange rate (SRD per USD, period average)	7.9	13.3	19.7	24.6	37.2	36.9	…	…	…	…	…	…	…	…
Weighted average exchange rate (SRD per USD, eop)	8.3	17.3	20.8	31.7	39.2	36.7	…	…	…	…	…	…	…	…
Real Effective Exchange Rate Change (+=appreciation; percent	0.7	-19.0	-0.6	8.4	-2.7	-2.7	…	…	…	…	…	…	…	…
External Debt 5/	3,779	3,650	4,088	4,178	4,194	4,285	4,425	4,431	4,421	4,525	4,459	4,329	4,207	4,046
External debt (Percent of GDP)	99.0	163.4	140.2	148.0	117.9	113.8	111.8	106.6	105.0	102.7	95.6	87.1	80.6	73.0
o/w: Change in external debt due to exchange rate movements	9.8	86.7	21.8	50.3	22.6	15.2	…	…	…	…	…	…	…	…

Sources: Surinamese authorities; and IMF staff calculations and projections.

1/ External arrears in 2020 are implicitly covered in errors and omissions.

2/ Calculated as a difference between the debt restructuring scenario and a scenario without debt restructuring.

3/ Based on IMF, 2015, "Assessing Reserve Adequacy."

4/ Excluding the PBOC swap and ring-fenced reserves.

5/ Includes both private and public sector debt.

Table 7. Suriname: Gross External Financing Requirements

(In millions of US. dollars, unless otherwise indicated)

	2019	2020	2021	2022 Est.	2023 4th Review	2023	2024 4th Review	2024	2025 4th Review Proj.	2025	2026	2027	2028	2029
1. Gross external financing requirements	**557**	**-119**	**82**	**239**	**291**	**201**	**172**	**287**	**131**	**184**	**71**	**156**	**139**	**167**
A. Current account deficit	448	-260	-176	-76	-90	-89	-94	-92	-39	-85	-80	-79	-75	-74
B. Public sector debt amortization	122	146	259	308	166	166	237	212	142	119	117	235	224	261
(i) Central government	97	46	159	202	66	66	137	112	117	94	67	210	223	259
(ii) CBvS	0	0	0	0	0	0	0	0	0	0	0	0	1	2
(iii) SOEs	25	100	100	107	100	100	100	100	25	25	50	25	0	0
C. Other outflows	-13	-5	-1	7	215	124	28	167	28	150	35	0	-10	-20
2. Sources of financing	**611**	**-48**	**21**	**-77**	**-128**	**-65**	**-105**	**69**	**79**	**121**	**116**	**196**	**191**	**187**
A. Asset sales (net) (Other investment account)	244	-168	43	36	0	0	0	0	0	0	0	0	0	0
B. Foreign direct investment (net)	-8	0	-124	3	-64	-69	-13	-39	14	-7	-21	11	2	-28
C. Portfolio flows (net)	117	35	47	-19	0	0	0	0	0	0	0	0	0	0
(i) Central government	125	0	0	0	0	0	0	0	0	0	0	0	1	2
(ii) SOEs	0	51	0	0	0	0	0	0	0	0	0	0	0	0
(iii) Other	-9	-16	47	-19	0	0	0	0	0	0	0	0	-1	-2
D. Public sector debt financing	201	98	55	79	50	114	52	108	52	103	87	160	188	214
(i) Central government	201	98	55	79	50	114	52	108	52	103	87	160	188	214
(ii) SOEs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
E. Other inflows (net)	57	-14	0	-176	-114	-111	-144	0	13	25	50	25	1	1
Balance (2-1) excluding expected accumulation of gross reserves; Gap (-) Surplus (+)	54	71	-61	-316	-419	-267	-277	-217	-52	-63	45	41	53	20
3. Expected change in gross reserves of the CBvS; accumulation (-)	**254**	**83**	**-416**	**-225**	**-1**	**-152**	**-268**	**-208**	**-23**	**-25**	**-32**	**-18**	**3**	**72**
4. Errors and omissions	**-289**	**-114**	**240**	**118**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
5. Financing needs -(2-1+3+4)	**-20**	**-40**	**237**	**423**	**421**	**418**	**545**	**426**	**75**	**88**	**-13**	**-22**	**-55**	**-91**
Allocation by:														
(i) Official financing	-20	-40	34	254	308	308	401	426	63	88	-13	-22	-55	-92
a. IMF	-20	-40	34	54	158	158	251	251	63	63	-13	-22	-55	-92
Purchases	0	0	55	54	158	158	251	251	63	63	0	0	0	0
O/w: for budget support	0	0	56	53	103	103	103	103	0	26	0	0	0	0
Repurchases	20	40	21	0	0	0	0	0	0	0	13	22	55	92
b. IFIs	0	0	0	200	150	150	150	175	0	25	0	0	0	0
(ii) External arrears (net)			203	168	-1	-1	0	0	0	0	0	0	0	0
(iii) Financing from external debt restructuring 1/					114	111	144	0	12	0	0	0	0	1
							(In percent of GDP)							
1. Gross external financing requirements	**13.9**	**-4.1**	**2.7**	**6.6**	**7.8**	**5.4**	**4.1**	**6.6**	**3.0**	**4.0**	**1.5**	**3.1**	**2.6**	**3.0**
A. Current account deficit	11.2	-8.9	-5.7	-2.1	-2.4	-2.4	-2.3	-2.1	-0.9	-1.8	-1.7	-1.6	-1.4	-1.3
B. Public sector debt amortization	3.0	5.0	8.4	8.5	4.4	4.4	5.7	4.9	3.2	2.6	2.4	4.7	4.2	4.7
(i) Central government	2.4	1.6	5.2	5.6	1.8	1.8	3.3	2.6	2.7	2.0	1.4	4.2	4.2	4.6
(ii) CBvS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) SOEs	0.6	3.4	3.2	2.9	2.7	2.7	2.4	2.3	0.6	0.5	1.0	0.5	0.0	0.0
C. Other outflows	-0.3	-0.2	0.0	0.2	5.7	3.3	0.7	3.9	0.6	3.3	0.7	0.0	-0.2	-0.4
2. Sources of financing	**15.2**	**-1.6**	**0.7**	**-2.1**	**-3.4**	**-1.7**	**-2.5**	**1.6**	**1.8**	**2.6**	**2.4**	**3.9**	**3.6**	**3.3**
A. Asset sales (net) (Other investment account)	6.1	-5.8	1.4	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Foreign direct investment (net)	-0.2	0.0	-4.0	0.1	-1.7	-1.8	-0.3	-0.9	0.3	-0.2	-0.4	0.2	0.0	-0.5
C. Portfolio flows (net)	2.9	1.2	1.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(i) Central government	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(ii) SOEs	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) Other	-0.2	-0.5	1.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D. Public sector debt financing	5.0	3.4	1.8	2.2	1.3	3.0	1.3	2.5	1.2	2.2	1.8	3.2	3.6	3.8
(i) Central government	5.0	3.4	1.8	2.2	1.3	3.0	1.3	2.5	1.2	2.2	1.8	3.2	3.6	3.8
(ii) SOEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
E. Other inflows (net)	1.4	-0.5	0.0	-4.8	-3.0	-3.0	-3.5	0.0	0.3	0.5	1.0	0.5	0.0	0.0
Balance (2-1) excluding expected accumulation of gross reserves; Gap (-) Surplus (+)	1.3	2.4	-2.0	-8.7	-11.2	-7.1	-6.7	-5.0	-1.2	-1.4	0.9	0.8	1.0	0.4
3. Expected change in gross reserves of the CBvS; accumulation (-)	**6.3**	**2.9**	**-13.5**	**-6.2**	**0.0**	**-4.0**	**-6.5**	**-4.8**	**-0.5**	**-0.5**	**-0.7**	**-0.4**	**0.1**	**1.3**
4. Errors and omissions	**-7.2**	**-3.9**	**7.8**	**3.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
5. Financing needs -(2-1+3+4)	**-0.5**	**-1.4**	**7.7**	**11.6**	**11.2**	**11.1**	**13.2**	**9.8**	**1.7**	**1.9**	**-0.3**	**-0.4**	**-1.0**	**-1.6**
Allocation by:														
(i) Official financing	-0.5	-1.4	1.1	7.0	8.2	8.2	9.7	9.8	1.4	1.9	-0.3	-0.4	-1.0	-1.7
a. IMF	-0.5	-1.4	1.1	1.5	4.2	4.2	6.1	5.8	1.4	1.4	-0.3	-0.4	-1.0	-1.7
Purchases	0.0	0.0	1.8	1.5	4.2	4.2	6.1	5.8	1.4	1.4	0.0	0.0	0.0	0.0
O/w: for budget support	0.0	0.0	1.8	1.5	2.7	2.7	2.5	2.4	0.0	0.6	0.0	0.0	0.0	0.0
Repurchases	0.5	1.4	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.4	1.0	1.7
b. IFIs	0.0	0.0	0.0	5.5	4.0	4.0	3.6	4.0	0.0	0.5	0.0	0.0	0.0	0.0
(ii) External arrears (net)			6.6	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(iii) Financing from external debt restructuring 1/					3.0	3.0	3.5	0.0	0.3	0.0	0.0	0.0	0.0	0.0

Sources: Fund staff estimates and projections.

1/ Calculated as a difference between the debt restructuring scenario and a scenario without debt restructuring.

Table 8. Suriname: Depositary Corporations Survey and Central Bank Accounts

(Millions of SRD)

							Proj.					
	2017	2018	2019	2020	2021	2022	2023	2023	2024	2024	2025	2025
							4th Review		4th Review		4th Review	
Monetary Survey												
Net foreign assets	**6,365**	**8,430**	**5,867**	**11,674**	**23,827**	**47,473**	**65,480**	**70,057**	**77,949**	**77,091**	**88,236**	**89,101**
Net international reserves (Held by the CBvS)	2,515	3,685	4,345	7,905	20,727	36,876	43,344	46,903	52,910	51,636	56,380	58,000
Net other foreign assets	3,850	4,745	1,522	3,769	3,100	10,596	22,136	23,154	25,039	25,455	31,856	31,101
Net domestic assets	**10,669**	**9,976**	**13,430**	**20,119**	**22,358**	**19,544**	**16,791**	**10,046**	**15,859**	**9,511**	**20,080**	**12,115**
Net claims on the public sector	3,726	3,462	4,787	11,310	10,682	4,684	607	-4,661	-265	-5,976	2,968	-3,454
Of which: on central government	3,912	3,612	5,055	11,360	10,501	5,301	1,344	-3,973	543	-5,241	3,855	-2,619
From CBvS	1,947	1,797	3,248	8,234	6,877	780	-1,287	-5,497	-2,378	-6,909	375	-4,687
From Commercial Banks	1,964	1,815	1,807	3,126	3,624	4,521	2,631	1,524	2,921	1,669	3,480	2,068
Net claims LC	1,186	1,053	78	985	390	-385	-1,562	-2,088	-1,592	-2,095	-1,061	-2,146
Net claims FC	779	762	1,729	2,141	3,234	4,906	4,192	3,612	4,513	3,764	4,540	4,214
(In USD millions)	105	103	234	153	155	154	107	98	105	96	96	95
Credit to the private sector	7,618	7,278	7,310	9,299	11,019	18,255	23,022	21,034	26,199	24,865	28,845	28,004
Other items, net	-675	-764	1,334	-490	657	-3,395	-6,837	-6,326	-10,076	-9,377	-11,733	-12,435
Broad money 1/	**17,030**	**18,403**	**19,269**	**31,793**	**46,185**	**67,016**	**82,271**	**80,103**	**93,808**	**86,602**	**108,316**	**101,216**
Currency in circulation	1,288	1,504	1,973	3,498	4,397	5,578	6,473	6,654	7,712	7,113	8,849	7,966
Local currency deposits	4,783	5,731	6,842	8,473	10,623	13,321	16,649	16,676	20,361	18,286	23,996	21,019
Foreign currency deposits	10,959	11,168	10,454	19,823	31,165	48,117	59,149	56,774	65,735	61,203	75,471	72,231
Central Bank (CBvS)												
Net foreign assets	**512**	**1,992**	**2,394**	**4,039**	**11,266**	**28,020**	**32,356**	**36,719**	**40,766**	**40,638**	**42,945**	**45,489**
(In USD millions)	**69**	**269**	**324**	**288**	**539**	**882**	**825**	**999**	**945**	**1,036**	**904**	**1,023**
Net international reserves	2,515	3,685	4,345	7,905	20,727	36,876	43,344	46,903	52,910	51,636	56,380	58,000
(In USD millions)	340	498	587	564	992	1,161	1,105	1,277	1,226	1,317	1,187	1,305
Of which:												
Gross International Reserves	3,140	4,296	4,790	8,199	20,730	37,934	46,852	49,460	63,141	60,959	70,628	70,224
(In USD millions)	424	581	648	585	992	1,194	1,195	1,346	1,463	1,554	1,487	1,580
Liabilities	-625	-611	-445	-294	-3	-1,058	-3,508	-2,557	-10,231	-9,324	-14,248	-12,224
(In USD millions)	-84	-82	-60	-21	0	-33	-89	-70	-237	-238	-300	-275
Net other foreign assets	-398	-1,694	-1,951	-3,866	-9,461	-8,856	-10,988	-10,184	-12,144	-10,997	-13,435	-12,511
Gross Other foreign assets	360	256	21	44	63	95	121	125	133	121	147	137
(In USD millions)	49	35	3	3	3	3	3	3	3	3	3	3
Gross other foreign liabilities	-1,944	-1,950	-1,971	-3,910	-9,524	-8,951	-11,109	-10,309	-12,277	-11,119	-13,582	-12,648
(In USD millions)	-263	-264	-267	-279	-456	-282	-283	-281	-284	-284	-286	-284
SDR allocations	-900	-906	-901	-1,779	-6,189	-8,947	-11,104	-10,305	-12,272	-11,114	-13,576	-12,642
(In USD millions)	-122	-123	-122	-127	-296	-282	-283	-280	-284	-283	-286	-284
Other (incl. RMB Swap with PBoC)	-1,043	-1,043	-1,070	-2,131	-3,335	-5	-5	-5	-5	-5	-6	-6
(In USD millions)	-141	-141	-145	-152	-160	0	0	0	0	0	0	0
Net domestic assets	**3,162**	**2,983**	**7,198**	**8,766**	**7,689**	**-565**	**-3,957**	**-7,341**	**-8,456**	**-9,290**	**-4,451**	**-9,914**
Net claims on public sector	1,947	1,797	3,248	8,234	6,877	780	-1,287	-5,497	-2,378	-6,909	375	-4,687
Of which: central government	1,947	1,797	3,248	8,234	6,877	780	-1,287	-5,497	-2,378	-6,909	375	-4,687
Net claims on commercial banks	186	39	264	-2,496	-4,731	-7,380	-9,203	-7,941	-11,327	-7,081	-9,127	-8,266
Other items, net	1,029	1,147	3,686	3,027	5,544	6,035	6,532	6,097	5,249	4,701	4,302	3,039
Reserve money	**3,674**	**4,975**	**9,593**	**12,817**	**18,967**	**27,470**	**28,399**	**28,816**	**32,310**	**31,348**	**38,494**	**35,575**
Currency in circulation	1,550	1,757	2,263	3,861	4,792	6,084	7,169	7,215	8,542	7,714	9,801	8,639
Bankers deposits	2,007	3,109	7,211	8,869	14,054	21,229	21,002	21,331	23,522	23,371	28,426	26,648
Other demand deposits in national currency	74	68	90	19	23	14	39	75	39	75	39	75
Gold certificates	43	42	28	67	97	143	188	194	207	188	228	214
Memorandum items:	(12-month percent change, unless otherwise indicated)											
Monetary survey												
Velocity (GDP/broad money; end of period)	1.6	1.6	1.6	1.2	1.3	1.3	1.7	1.7	1.8	1.9	1.8	1.9
Broad money	9.0	8.1	4.7	65.0	45.3	45.1	22.8	19.5	14.0	8.1	15.5	16.9
Broad money (constant exchange rate)	8.6	8.1	4.7	16.4	60.2	11.7	10.3	12.1	11.7	5.1	11.5	9.5
Broad money (local currency portion only)	12.4	19.2	21.8	35.8	25.5	25.8	22.3	23.4	21.4	8.9	17.0	14.1
Broad money (in real terms)	-0.3	2.5	0.5	2.6	-9.6	-6.1	-11.9	-9.9	-0.8	-5.4	3.3	5.3
Broad money (Percent of GDP)	63.3	61.7	60.7	82.1	76.0	74.9	59.0	57.9	54.9	51.6	54.2	51.6
FX deposits	6.6	1.9	-6.4	0.0	5.5	1.6	-0.4	2.0	1.0	1.0	4.3	4.1
Credit to the private sector	1.2	-4.5	0.4	27.2	18.5	65.7	26.1	15.2	13.8	18.2	10.1	12.6
Credit to private sector (in real terms)	-7.4	-9.4	-3.6	-20.9	-26.3	7.2	-9.5	-13.1	-1.0	3.5	-1.5	1.4
Credit to private sector (Percent of GDP)	28.3	24.4	23.0	24.0	18.1	20.4	16.5	15.2	15.3	14.8	14.4	14.3
Central bank												
Reserve money	22.3	35.4	92.8	33.6	48.0	44.8	3.4	4.9	13.8	8.8	19.1	13.5
Reserve money (constant exchange rate)	24.4	37.1	144.1	-5.6	24.3	21.8	5.1	10.5	12.4	7.6	18.7	8.9
Reserve money (local currency portion only)	19.3	33.1	19.1	42.7	26.3	32.3	27.4	35.1	15.9	9.5	22.5	10.2
Reserve money (in real terms)	11.9	28.4	85.0	-16.9	-7.9	-6.3	-25.8	-20.9	-1.0	-4.8	6.6	2.2
Reserve money (Percent of GDP)	13.7	16.7	30.2	33.1	31.2	30.7	20.4	20.8	18.9	18.7	19.3	18.2
Money multiplier (SRD broad money/reserve mor	1.9	1.7	1.7	1.6	1.6	1.5	1.5	1.4	1.6	1.4	1.5	1.5

Sources: Central Bank of Suriname; and IMF staff calculations and projections.

1/ The definition of broad money excludes deposits of public nonfinancial corporations (which are included in net claims on the public sector).

Table 9. Suriname: Financial Soundness Indicators

(In percent)

	2018 Dec.	2019 Dec.	2020 Dec.	2021 Dec.	2022* Dec	2023* Jun	2023 Sep	2023 Oct	2023 Nov
Capital Adequacy									
Regulatory capital to risk-weighted assets	9.6	11.4	11.8	14.5	16.8	18.4	18.7	18.9	19.1
Regulatory Tier 1 capital to risk-weighted assets	9.0	10.8	10.5	13.1	15.5	17.3	16.7	16.9	17.2
Tier 1 capital to total assets (leverage ratio)	4.9	4.9	4.3	5.7	6.1	7.4	7.1	7.2	7.3
Asset Quality									
NPL to gross loans	12.0	10.6	14.6	12.8	12.4	16.1	14.3	14.0	13.9
NPL net of provisions to Tier 1 capital	39.0	34.9	68.1	43.6	35.2	45.5	40.6	39.9	37.8
Provisions to total NPLs	61.6	60.5	46.0	...	39.9	35.7	..	..	..
Large exposures to capital	272.5	228.7	306.5	178.3	150.2	112.8	113.5	115.4	104.6
Foreign currency loans to total loans	62.8	59.2	49.1	55.5	61.5	61.3	61.5	61.0	61.7
Earnings and Profitability									
Return on assets (ROA, annualized)	0.1	1.0	2.0	1.8	2.7	1.2	2.0	2.2	2.4
Return on equity (ROE, annualized)	1.9	16.7	34.8	29.6	44.8	16.0	27.4	29.9	33.0
Net interest income to gross income	70.6	69.2	47.7	53.5	61.7	63.3	66.2	67.0	67.3
Spread between lending and deposit rates (ppts)	8.0	7.4	7.4	7.7	8.1	8.4	8.3	8.5	8.7
Liquidity									
Liquid assets to total assets	40.2	46.8	51.5	58.8	54.3	52.3	53.7	53.2	52.8
Liquid assets to short-term liabilities	82.1	93.4	101.3	117.0	114.0	102.7	106.7	104.6	103.8
Total loans to total deposits	44.6	47.9	40.2	...	35.1	35.2	..	35.8	35.3
Sensitivity to market risk									
Net open positions in foreign currency to capital 1/	22.2	11.5	20.8	39.4	23.2	21.0	16.8	21.7	19.7
Foreign currency liabilities to total liabilities	66.5	60.9	69.2	71.6	74.1	75.0	75.3	74.6	74.7

Source: Central Bank of Suriname

1/ The increase in net asset position in 2020 and 2021 includes a valuation effect attributable to significant depreciation.

* IMF staff calculations

Table 10. Suriname: Schedule of Reviews and Available Purchases

Availability Date	Millions of SDR	Percent of Quota	Conditions
12/22/2021	39.4	30.6	Board Approval of the Extended Arrangement
3/15/2022	39.4	30.6	First review and continuous and end-December 2021 performance criteria
6/14/2023	39.4	30.6	Second review and continuous, end-December 2022 performance criteria
9/14/2023	39.4	30.6	Third review and continuous and end-June 2023 performance criteria
12/14/2023	39.4	30.6	Fourth review and continuous and end-September 2023 performance criteria
3/14/2024	46.7	36.3	Fifth review and continuous and end-December 2023 performance criteria
6/14/2024	46.7	36.3	Sixth review and continuous and end-March 2024 performance criteria
9/14/2024	46.7	36.3	Seventh review and continuous and end-June 2024 performance criteria
12/6/2024	46.8	36.3	Eight review and continuous and end-September 2024 performance criteria
3/14/2025	46.8	36.3	Ninth and final review and continuous and end-December 2024 performance criteria
Total	**430.7**	**334.1**	
Memo:			
Quota	128.9		

Table 11. Suriname: Program Monitoring—Indicators of Fund Credit Under the EFF Supported Program

(In millions of SDR, unless otherwise indicated)

							Proj.						
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Prospective Drawings	39.4	118.2	186.9	46.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Percent of quota	30.6	91.7	145.0	36.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repurchases	0.0	0.0	0.0	0.0	9.8	16.4	40.6	67.9	71.8	71.8	61.9	55.4	31.2
Total Interest / Charges	2.0	8.5	17.9	28.3	29.5	28.7	27.8	24.8	19.2	14.5	10.9	7.8	5.3
Total Debt Services	2.0	8.5	17.9	28.3	39.4	45.1	68.4	92.7	91.0	86.2	72.8	63.2	36.4
Percent of exports	0.1	0.4	0.9	1.4	1.9	2.1	3.1	4.1	3.9	3.5	2.9	2.4	1.3
Percent of usable reserves	0.3	1.0	1.8	2.8	3.7	4.2	6.5	9.2	9.8	11.1	11.1	11.6	7.5
Percent of GDP	0.1	0.3	0.6	0.8	1.1	1.2	1.7	0.1	0.1	0.1	0.1	0.0	0.0
Percent of quota	1.6	6.6	13.9	22.0	30.5	35.0	53.1	71.9	70.6	66.9	56.5	49.0	28.3
Outstanding Credit (eop)	78.8	197.0	383.9	430.7	420.9	404.4	363.8	295.9	224.2	152.4	90.4	35.1	3.9
Percent of exports	4.1	9.8	18.7	20.9	20.3	18.9	16.6	13.0	9.6	6.2	3.6	1.3	0.1
Percent of usable reserves	12.2	23.6	37.9	41.9	40.1	38.1	34.3	29.4	24.2	19.5	13.8	6.5	0.8
Percent of GDP	2.9	7.0	11.8	12.6	11.8	10.8	9.3	7.1	5.1	3.3	1.8	0.7	0.1
Percent of quota	61.1	152.8	297.8	334.1	326.5	313.8	282.2	229.6	173.9	118.2	70.2	27.2	3.0
Memo items:													
Quota	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9	128.9
Exports of G&S (US$ million)	2,600	2,686	2,742	2,760	2,788	2,880	2,954	3,055	3,154	3,284	3,427	3,585	3,759
Gross International Reserves (US$ million)	1,195	1,346	1,590	1,615	1,647	1,665	1,662	1,590	1,483	1,285	1,115	966	892
as percent of ARA	135	149	173	172	177	181	183	179	177	156	139	122	115
Gross International Usable Reserves (excluding PBoC swap and ring-fenced reserves (US$ million)	865	1,112	1,356	1,381	1,412	1,431	1,428	1,356	1,249	1,051	881	731	658
as percent of ARA	98	123	148	147	152	156	157	152	149	128	110	93	85
Nominal GDP (SRD million)	89,472	138,355	167,985	195,976	219,798	243,102	262,846	284,379	307,477	332,430	359,505	388,769	420,397

Source: IMF staff calculations and projections.

Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/

(In millions of Suriname dollars, unless otherwise indicated)

	2020	2021				2022											
		end-Dec				end-Jan.				end-Feb.				end-Mar.			
	Act.	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																	
Fiscal/debt targets																	
1. Primary fiscal balance (cash basis) of central government (floor) 2/	-2,321	-719	334	3,007	Met	110	159	135	Not Met	221	-110	14	Met	331	-3	161	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																	
5. Gross credit to the central government by the central bank (continuous ceiling) 3/	10,229	0		0	Met	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/4/	-154	348	310	319	Met	11	-2	5	Met	103	2	16	Met	114	30	19	Not Met
7. Net domestic assets of the central bank (ceiling) 2/4/	8,777	-343	161	203	Not Met	-6	180	-6	Met	-1,134	272	113	Met	-1,137	39	-118	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Indicative Targets																	
1. Social spending of central government (floor) 2/	604	1,070		922	Not Met									371		269	Not Met
2. Stock of VAT refunds outstanding (ceiling)																	
Memorandum items																	
Reserve money	12,817	18,294		18,967		18,629		18,950		19,061		19,180		19,597		18,881	
Reserve money (local currency portion only)	7,342	9,188		9,271		9,341		9,338		9,494		9,570		9,647		9,289	
Reserve money (constant exchange rates)	12,817	14,838		15,933		14,991		15,893		15,144		16,209		15,297		15,847	
NFA (constant exchange rates)	4,039	6,403		6,953		6,563		6,920		7,844		7,117		8,000		7,020	
Gross international reserves (millions of U.S. dollar)	585	968		992		979		986		1,071		848		1,139		899	
Usable international reserves (millions of U.S. dollar) 5/	129	501		512		513		505		604		518		673		566	
Program exchange rate	14.018	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Apr.				end-May.				end Jun.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	442	166	-111	Not Met	552	300	8	Not Met	663	707	660	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	118	49	13	Not Met	122	104	92	Not Met	156	150	156	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,040	-67	134	Not Met	-941	-691	-246	Not Met	-1,263	-1,188	-591	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									742		832	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	21,223		19,110		21,856		20,025		22,390		20,280	
Reserve money (local currency portion only)	9,801		9,516		9,954		9,860		10,107		10,411	
Reserve money (constant exchange rates)	16,306		16,136		16,459		16,676		16,612		16,879	
NFA (constant exchange rates)	8,220		7,022		8,277		7,943		8,739		8,490	
Gross international reserves (millions of U.S. dollar)	1,000		886		1,004		951		1,094		983	
Usable international reserves (millions of U.S. dollar) 5/	674		558		678		620		768		656	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Jul.				end-Aug.				end Sep.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	773	1,005	311	Not Met	884	946	346	Not Met	994	1,218	345	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	158	159	169	Met	160	168	192	Met	192	169	193	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,142	-1,161	-91	Not Met	-1,016	-1,124	-77	Not Met	-1,316	-986	-14	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,112		1,315	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	22,912		21,413		23,444		22,654		23,858		23,723	
Reserve money (local currency portion only)	10,260		11,098		10,413		11,359		10,566		11,450	
Reserve money (constant exchange rates)	16,765		17,587		16,918		18,084		17,071		18,424	
NFA (constant exchange rates)	8,778		8,698		8,811		9,182		9,253		9,458	
Gross international reserves (millions of U.S. dollar)	1,097		991		1,099		1,018		1,187		1,029	
Usable international reserves (millions of U.S. dollar) 5/	771		667		773		698		862		713	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Oct.				end-Nov.				end-Dec.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,105	1,788	657	Not Met	1,215	2,111	1,174	Not Met	1,326	2,625	1,150	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0.02	Not Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	194	169	204	Met	196	150	179	Met	226	313	332	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,193	-845	-111	Not Met	-1,063	-425	435	Not Met	-1,332	-2,548	-1,080	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,483		1,717	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	24,277		25,205		24,660		26,514		25,047		27,470	
Reserve money (local currency portion only)	10,718		11,507		10,871		11,632		11,024		12,263	
Reserve money (constant exchange rates)	17,224		18,583		17,377		18,710		17,529		19,414	
NFA (constant exchange rates)	9,289		9,714		9,316		9,296		9,478		11,514	
Gross international reserves (millions of U.S. dollar)	1,190		1,045		1,192		1,031		1,260		1,194	
Usable international reserves (millions of U.S. dollar) 5/	864		716		866		707		934		865	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2023											
	end-Jun.				end-Jul.				end-Aug.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,147	1,571	2,020	Met	1,338	1,693	2,184	Met	1,529	1,826	1,891	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		4	Not Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-57	-38	-31	Met	-55	-32	-26	Met	-54	-28	-28	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,602	3,334	2,376	Met	4,006	3,683	3,843	Not Met	4,397	4,030	2,776	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/					5		7	Not Met	10		11	Not Met
Indicative Targets												
1. Social spending of central government (floor) 2/	1,981		1,058	Not Met								
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	33,964		27,590		35,102		29,378		36,147		27,225	
Reserve money (local currency portion only)	14,249		14,064		14,642		15,602		14,998		14,438	
Reserve money (constant exchange rates)	21,461		19,448		21,896		20,914		22,294		19,457	
NFA (constant exchange rates)	9,959		9,172		9,990		9,170		9,997		8,781	
Gross international reserves (millions of U.S. dollar)	1,153		1,091		1,155		1,096		1,156		1,062	
Usable international reserves (millions of U.S. dollar) 5/	835		853		837		857		838		825	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2023															
	end-Sep.				end-Oct.				end-Nov.				end-Dec.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																
Fiscal/debt targets																
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,721	1,790	1,784	Not Met	1,912	1,550	2,172	Met	2,103	1,306	2,217	Met	2,294	637	2,148	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0	0	-1,042.3	Met	0	0	-1,042	Met	0	0	-1,661.8	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-53	-39	-21	Met	-57	-39	5	Met	-73	-61	-7	Met	-6	22	152	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,892	3,703	2,448	Met	4,214	3,967	2,995	Met	4,722	4,554	3,743	Met	4,121	3,733	1,986	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	15		14	Met	20		15	Met	25		18	Met	30		20	Met
Indicative Targets																
1. Social spending of central government (floor) 2/	2,971		1,915	Not Met									3,962		3,077	Not Met
2. Stock of VAT refunds outstanding (ceiling)																
Memorandum items																
Reserve money	29,440		26,720		30,049		27,660		30,670		28,647		31,374		28,816	
Reserve money (local currency portion only)	15,320		14,208		15,573		15,111		15,831		15,621		16,162		16,566	
Reserve money (constant exchange rates)	20,589		19,167		20,857		20,001		21,130		20,708		21,477		21,459	
NFA (constant exchange rates)	8,797		8,819		8,742		9,220		8,507		9,227		9,455		11,071	
Gross international reserves (millions of U.S. dollar)	1,132		1,107		1,128		1,142		1,112		1,143		1,234		1,346	
Usable international reserves (millions of U.S. dollar) 5/	893		873		889		908		873		908		995		1,112	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)
(In millions of Suriname dollars, unless otherwise indicated)

	2024						
	end-Jan.				end-Feb.	end-Mar.	
	IT	Adj. IT	Act.	Met/Not met	IT	PC	Prop PC
Quantitative Performance Criteria							
Fiscal/debt targets							
1. Primary fiscal balance (cash basis) of central government (floor) 2/	384		TBD	TBD	769	1,153	
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		TBD	TBD	0	0	
3. New central government guaranteed debt (continuous ceiling)	0		TBD	TBD	0	0	
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		TBD	TBD	0	0	
Monetary targets							
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	-1,662	Met	0	0	
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-7	-10	-14	Not Met	-25	-37	-65
7. Net domestic assets of the central bank (ceiling) 2/	454	494	378	Met	1,041	1,495	1,423
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0	0	0	Met	0	0	
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	3	3	3	Met	7	15	
Indicative Targets							
1. Social spending of central government (floor) 2/						1,308	1,308
2. Stock of VAT refunds outstanding (ceiling)							
Memorandum items							
Reserve money	28,866		29,074		29,300	29,699	29,273
Reserve money (local currency portion only)	15,978		16,841		16,298	16,582	17,059
Reserve money (constant exchange rates)	20,761		21,837		21,085	21,373	21,962
NFA (constant exchange rates)	9,112		11,572		8,849	8,682	10,151
Gross international reserves (millions of U.S. dollar)	1,188		1,328		1,169	1,225	1,329
Usable international reserves (millions of U.S. dollar) 5/	955		1,093		936	991	1,095
Program exchange rate	14.018		14.018		14.018	14.018	14.018

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Table 12. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (concluded)

(In millions of Suriname dollars, unless otherwise indicated)

	2024											
	end-Apr.	end-May.	end-Jun.		end-Jul.	end Aug.	end Sep.		end Oct.	end Nov.	end Dec.	
	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,538	1,922	2,307		2,691	3,076	4,705		3,844	4,229	4,613	
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0	0	0		0	0	0		0	0	0	
3. New central government guaranteed debt (continuous ceiling)	0	0	0		0	0	0		0	0	0	
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S.	0	0	0		0	0	0		0	0	0	
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	0		0	0	0		0	0	0	
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-29	-15	0	-62	-49	-46	-39	-21	-31	-52	-1	-43
7. Net domestic assets of the central bank (ceiling) 2/	1,066	1,023	1,621	1,854	1,816	1,933	2,645	1,711	1,949	2,309	3,730	2,232
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling) 6/	0	0	0		0	0	0		0	0	0	
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	17	20	30		30	30	30		30	30	30	
Indicative Targets												
1. Social spending of central government (floor) 2/			2,617	2,617			4,033	3,785			5,122	5,122
2. Stock of VAT refunds outstanding (ceiling)	909			722				443				163
Memorandum items												
Reserve money	29,526	29,790	30,685	30,067	30,324	30,589	31,512	30,824	31,024	31,195	32,310	31,348
Reserve money (local currency portion only)	17,202	17,356	17,217	17,524	17,671	17,826	17,684	17,950	18,039	18,100	18,112	18,142
Reserve money (constant exchange rates)	22,110	22,268	22,018	22,439	22,591	22,750	22,495	22,878	22,971	23,036	22,933	23,082
NFA (constant exchange rates)	10,656	10,857	9,201	10,197	10,387	10,428	8,655	10,779	10,635	10,339	9,186	10,462
Gross international reserves (millions of U.S. dollar)	1,365	1,380	1,329	1,400	1,414	1,417	1,358	1,509	1,499	1,478	1,463	1,554
Usable international reserves (millions of U.S. dollar) 5/	1,131	1,146	1,096	1,166	1,179	1,183	1,124	1,275	1,265	1,244	1,229	1,320
Program exchange rate	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018

Source: Authorities and IMF staff calculations and projections.

1/ Targets as defined in the Technical Memorandum of Understanding.

2/ Cumulative flows from begining of the year.

3/ The 2020 figure is a stock as of end-June 2021.

4/ The 2020 figure is a stock as of end-December 2020.

5/ Official reserve assets excluding the PBOC swap and ring-fenced reserves.

6/ Non-observance for the month February 2023

Table 13. Suriname: Structural Benchmarks Under the EFF

Measure	SR ¶	Target date 1/	Status	Objective
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February 2022	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v) introduce strict limits on monetary financing (with transitional rules).		January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters.	17	September 2023	Not met; implemented with delay in [March]	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	21	June 2024		Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	21	June 2024	Proposed to be reset to September 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	21	March 2024	Proposed to be reset to April 2024	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.	17	December 2023	Not met	Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.
CBvS's Executive Board are fully constituted in line with the new CBvS act	21	March 2024	New proposed SB	Strengthen governance, accountability and transparency of the Central Bank.
Financial sector/crisis preparedness				
Undertake full asset quality review for the two largest (by assets size) banks (drawing on the expertise of an internationally reputable specialist firm).		September 2022	Met	Diagnose the largest banks and potential recapitalization needs.
Submit to the State Council the Credit Institutions Resolution Act to increase CBvS' powers and tools for early intervention, recovery, and resolution of financial institutions.		January 2022	Not met; implemented with delay in February 2023	Strengthen the CBvS's role in crisis management.
Submit the revised Banking and Credit Supervision Act to the State Council to facilitate risk-based supervision through expanding CBvS' assessment powers to determine bank compliance with regulatory requirements.		January 2022	Not met; implemented with delay in February 2023	Solidify oversight over the financial sector.
Operationalize the Financial Stability Committee, composed of representatives from the MoF and CBvS.		January 2022	Not met; implemented with a delay in April 2022	Improve coordination on financial sector issues.
Operationalize a Bank Resolution Unit within the CBvS with appropriate governance arrangements, staffing, funding and clear internal guidelines on how the unit would undertake crisis management and enforcement actions.		February 2022	Not met; implemented with a delay in April 2022	Strengthen the CBvS's role in crisis management.
Undertake full asset quality review for the remaining banks (drawing on the expertise of an internationally reputable specialist firm).		December 2022	Not met; implemented with a delay in May 2023	Diagnose the financial sector and potential recapitalization needs.
CBvS and MoF agree on a governance framework for state-owned banks.	20	December 2023	Not met; implemented with delay in February	Improve governance of state-owned banks.
CBvS to instruct the banks to incorporate the AQR results and review the recapitalization plans submitted by the banks to verify their credibility	19	October 2023	Not met; implemented with delay in December	Improve strength of the financial sector.
CBvS, in consultation with IMF, to set common equity tier one and capital adequacy ratio targets for banks and outline the corrective measures it would escalate if CET1/CAR targets are breached	19	March 2024	New proposed SB	Improve strength of the financial sector.

Continue to next page

Table 13. Suriname: Structural Benchmarks Under the EFF (continued)

Measure	SR 1	Target date	Status	Objective
Fiscal and Debt				
Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).		January 2022	Met	Improve governance and increase transparency.
Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.		January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.
Publish the financial assessment of EBS that includes its legacy liabilities.		May 2022	Met	Achieve full cost recovery in the electricity sector.
Commence an audit on outstanding supplier arrears.		April 2022	Met: audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.
Passage of laws needed to implement the VAT by the National Assembly.		March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.
Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.		March 2022	Not Met; Implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.
Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.		June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.
Create a large taxpayer unit to increase taxpayer compliance.		June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.
Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.	8	December 2023	Not met; implemented with delay in [March]	Strengthen social spending.
Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.		June 2023	Met	Improve fiscal data reporting.
Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption		July 2023	Not Met; implemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.
Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.		October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detailed procedures) to halt payments of salaries for unregistered workers.		October 2023	Not Met; implemented with delay in November 2023	Strenthen PFM and ensure fiscal adjustment in line with program parameters.
Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks	10	March 2024		Strengthen PFM.
Publish quarterly budget execution report starting with the end June 2023 budget outturns.	10	September 2023	Met	Strengthen PFM.
Publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries.	8	September 2024	Proposed to be removed	Climate adaptation to contain fiscal risks.
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments	10	January 2024	Met	Improve debt management and reporting, and avoid external debt arrears.
Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each program.	8	January 2024	Met	Improve governance and increase transparency.
Publish a report of the largest state-owned enterprises to quantify the principal fiscal risks faced by these enterprises	10	June 2024	Proposed to be removed	Strengthen PFM.
Mandate that all tax declarations and transactions use a Fiscal Identification Number.	8	June 2024	New proposed SB	Improve tax administration.
Implement a pilot Treasury Single Account for a limited set of ministries.	10	January 2025	New proposed SB	Strengthen PFM.
The Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance.	12	Continuous	New proposed SB	Strengthen PFM and avoid new expenditure arrears.
Fully repay domestic debt arrears	11	March 2024	New proposed SB	Improve debt management and financial stability
Issue a resolution to clarify that government will not be responsible for for contracts agreed with line ministries that have no prior authorization from the MoF.	12	April 2024	New proposed SB	Strengthen PFM and avoid new expenditure arrears.
Mandate all line ministries to report the stock of arrears to the MoF	12	June 2024	New proposed SB	Improve debt management and financial stability

Continue to next page

Table 13. Suriname: Structural Benchmarks Under the EFF (concluded)

Measure	SR ¶	Target date	Status	Objective
Governance (anti-corruption)				
Ratify the United Nations Convention Against Corruption (UNCAC).		January 2022	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Issue an Implementation Act to amend the Anti-Corruption legal framework to ensure criminalization of all corruption acts (in line the with the requirements of the UNCAC) and to strengthen the income and asset declaration provisions in the Anti-Corruption law to support routine verification of income and asset declarations for high-level and high-risk public officials, provide this information to the public and establish proportionate sanctions for non-compliance.		June 2022	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Operationalize the Anti-Corruption Commission (as required by the 2017 Anti-Corruption Act) and adopt an operational framework for its implementation, in line with the UNCAC.		March 2022	Not Met; implemented with a delay in May 2023	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to reflect: i) adoption of legislation and or other measures as may be necessary to establish as criminal offences the relevant Articles contained in Chapter III of the UNCAC; and ii) enactment of legislation which creates a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	22	June 2024	Proposed to be reformulated and reset as two SBs below	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	22	June 2024	New proposed SB	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to creates a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	22	September 2024	New proposed SB	Reduce vulnerabilities to corruption and promote investment and growth.
Governance (procurement)				
Enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and the ex-post validation of delivery of the contracted services	21	September 2023	Not Met	Strengthen procurement efficiency.
Governance (AML/CFT)				
Amend the AML/CFT law legislation and other relevant laws and regulations to bring them into line with the FATF international AML/CFT standards (including with respect to the treatment of politically-exposed persons and beneficial ownership requirements).		August 2022	Not Met; implemented with a delay in November 2022	Mitigate the adverse effects of criminal economic activity and promote integrity in financial markets.

Source: IMF staff. *Concluded*

1/ The target dates for all structural benchmarks are the end of the month.

Table 14. Suriname: Decomposition of Public Debt and Debt Service by Creditor (2023–25)

	Debt Stock incl. arrears end-2022			Debt Stock excl. arrears end-2022	Arrears end-2022	Debt Service 2023	Debt Service 2024	Debt Service 2025	Debt Service 2023	Debt Service 2024	Debt Service 2025
	(In USD)	*(Percent Total debt)*	*(Percent GDP)*	*(In USD)*	*(In USD)*	*(In USD)*			*(Percent GDP)*		
Total	3,296	100	117	2,653	643	428	330	279	11	8	6
External	2,477	75	88	2,092	385	241	202	209	6	5	5
Multilateral creditors	953	29	34	952	1	76	77	86	2	2	2
IMF	105	3	4	105	0	1	1	1	0	0	0
World Bank	6	0	0	6	0	0	0	1	0	0	0
IADB	691	21	24	691	0	53	54	65	1	1	1
Other Multilaterals	151	5	5	150	1	22	21	20	1	0	0
o/w Caribbean Development Bank	92	3	3	92	0	12	12	12	0	0	0
o/w European Investment Bank	1	0	0	1	0	0	0	0	0	0	0
o/w Islamic Development Bank	27	1	1	27	1	6	4	4	0	0	0
o/w The OPEC Fund for International Developmen	30	1	1	30	0	4	4	4	0	0	0
Official Creditors	607	18	21	502	104	61	62	61	2	1	1
Bilateral Creditors	437	13	15	383	54	39	40	40	1	1	1
o/w : Paris Club	30	1	1	30	0	0	3	4	0	0	0
China	390	12	14	346	44	37	36	35	1	1	1
India	16	0	1	6	10	2	1	1	0	0	0
ECA-backed loans	170	5	6	120	50	22	22	21	1	1	0
o/w: Paris Club	53	2	2	45	8	6	8	7	0	0	0
China	94	3	3	54	40	12	11	11	0	0	0
India	23	1	1	21	2	3	3	3	0	0	0
Private Creditors	918	28	33	638	280	105	64	62	3	1	1
Eurobonds	818	25	29	588	230	92	51	51	2	1	1
Other private creditors	100	3	4	50	50	12	13	11	0	0	0
o/w: Israel Discount Bank	3	0	0	3	0	2	1	0	0	0	0
o/w: Credit Suisse	9	0	0	9	0	3	3	3	0	0	0
o/w: ICBC	61	2	2	38	23	8	9	8	0	0	0
Domestic	819	25	29	561	258	187	128	70	5	3	2
Held by Central Bank	355	11	13	254	101	0	10	18	0	0	0
Held by Local Banks	165	5	6	118	46	90	36	17	2	1	0
Held by Local Non-Banks	299	9	11	189	110	60	40	17	2	1	0
o/w supplier arrears	80	2	3	-	80						

Source: IMF staff estimates from Suriname Debt Management Office (SDMO).

The table assumes the following:
- For external debts whose bilateral restrucuturing agreements were not completed by end-2022, reported debt stocks and debt services are based on original contracts. For external debt whose bilateral restructuring agreements were completed by end-2022 (i.e., France, Netherland, and Switzerland), reported debt stocks and debt services are based on these agreements. In the latter case, arrear repayments are included in the projected debt services. (c.f., when the restrucuting agreement only covers periods until 2024, the debt service in 2025 follow original contracts.)
- For domestic debts, the restructuring with CBvS is reflected to calculate domestic debt service.
- The figures are based on existing debts as of end-2022, and debt service from newly contracted debt in 2023 onward are not reflected.

Annex I. Debt Sustainability Analysis

Annex I. Figure 1. Suriname: Risk of Sovereign Stress

Horizon	Mechanical signal	Final assessment	Comments
Overall	…	High	The overall risk of sovereign stress is high.
Near term 1/	n.a.	n.a.	Not applicable
Medium term	High	High	Medium-term risks are assessed as high. The GFN tool suggests low risk due to declining GFN path and contained bank exposure to the government. On the other hand, the fanchart tool gives a high risk signal mainly driven by the width of the chart suggesting a high historical volatility of the macro-fiscal shocks.
Fanchart	High	…	
GFN	Low	…	
Stress test	…	…	
Long term	…	Moderate	Long-term risks are assessed as moderate. In the long-term, public debt to GDP is expected to continue declining but GFN to GDP is gradually increasing until 2033, mainly due to repayments to IFIs including the Fund and restructured debts. This underscores the importance of maintaining fiscal discipline in the long term.
Sustainability assessment 2/	…	Sustinable	The projected debt path is expected to stabilize and GFNs will remain at manageable levels.
Debt stabilization in the baseline			Yes

Commentary: The authorities' debt restructuring scenario suggests that public debt and GFNs would be sustainable. However, even after restructuring, public debt would remain high (above 80 percent of GDP) until end-2024 and highly vulnerable to macro-fiscal shocks, including recapitalization needs of the Central Bank of Suriname (CBvS). The vulnerability is particularly highlighted by the high risk signal of the fanchart, which is mainly caused by the past fluctuations in real exchange rate and inflation. The FX vulnerability can be mitigated by the significant share of government revenues received in foreign currency and potential future oil revenues that are not incorporated in the DSA following the international practice.

Source: Fund staff.

Note: The risk of sovereign stress is a broader concept than debt sustainability. Unsustainable debt can only be resolved through exceptional measures (such as debt restructuring). In contrast, a sovereign can face stress without its debt necessarily being unsustainable, and there can be various measures—that do not involve a debt restructuring—to remedy such a situation, such as fiscal adjustment and new financing.

1/ The near-term assessment is not applicable in cases where there is a disbursing IMF arrangement. In surveillance-only cases or in cases with precautionary IMF arrangements, the near-term assessment is performed but not published.

2/ A debt sustainability assessment is optional for surveillance-only cases and mandatory in cases where there is a Fund arrangement. The mechanical signal of the debt sustainability assessment is deleted before publication. In surveillance-only cases or cases with IMF arrangements with normal access, the qualifier indicating probability of sustainable debt ("with high probability" or "but not with high probability") is deleted before publication.

Annex I. Figure 2. Suriname: Debt Coverage and Disclosures

	CG	GG	NFPS	CPS	Other	Comments
1. Debt coverage in the DSA: 1/	CG	GG	NFPS	CPS	Other	
1a. If central government, are non-central government entities insignificant?					No	

2. Subsectors included in the chosen coverage in (1) above:

					Subsectors captured in the baseline	Inclusion	Comments
CPS	NFPS	GG: expected	CG	1	Budgetary central government	Yes	
				2	Extra budgetary funds (EBFs)	No	Not applicable
				3	Social security funds (SSFs)	No	Not applicable
				4	State governments	No	Not applicable
				5	Local governments	No	Not applicable
				6	Public nonfinancial corporations	No	Not applicable
				7	Central bank	No	Not applicable
				8	Other public financial corporations	No	Not applicable

3. Instrument coverage:	Currency & deposits	Loans	Debt securities	Oth acct. payable 2/	IPSGSs 3/

	Basis of recording		Valuation of debt stock		
4. Accounting principles:	Non-cash basis 4/	Cash basis	Nominal value 5/	Face value 6/	Market value 7/

5. Debt consolidation across sectors:	Consolidated	Non-consolidated

Color code: chosen coverage; Missing from recommended coverage; Not applicable

Reporting On Intra-Government Debt Holdings

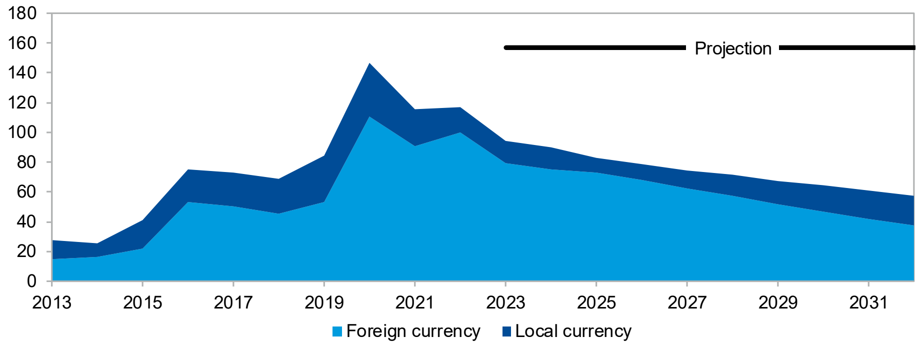
				Issuer \ Holder	Budget. central govt	Extra-budget. funds	Social security funds	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total
CPS	NFPS	GG: expected	CG	1 Budget. central govt									0
				2 Extra-budget. funds									0
				3 Social security funds									0
				4 State govt.									0
				5 Local govt.									0
				6 Nonfin pub. corp.									0
				7 Central bank									0
				8 Oth. pub. fin. corp									0
				Total	0	0	0	0	0	0	0	0	0

1/ CG=Central government; GG=General government; NFPS=Nonfinancial public sector; PS=Public sector.
2/ Stock of arrears could be used as a proxy in the absence of accrual data on other accounts payable.
3/ Insurance, Pension, and Standardized Guarantee Schemes, typically including government employee pension liabilities.
4/ Includes accrual recording, commitment basis, due for payment, etc.
5/ Nominal value at any moment in time is the amount the debtor owes to the creditor. It reflects the value of the instrument at creation and subsequent economic flows (such as transactions, exchange rate, and other valuation changes other than market price changes, and other volume changes).
6/ The face value of a debt instrument is the undiscounted amount of principal to be paid at (or before) maturity.
7/ Market value of debt instruments is the value as if they were acquired in market transactions on the balance sheet reporting date (reference date). Only traded debt securities have observed market values.

Commentary: Suriname's public debt under the DSA refers to central government debt including loans to IMF and CBvS. There is no estimate of local governments' and social security funds' debts but they should be considered minimal if any. There is no estimate of SOE debts, but the government has passed a law to expand the legal mandate of SDMO to include the whole NFPC and tracks the financial positions of the 10 largest state-owned enterprises.

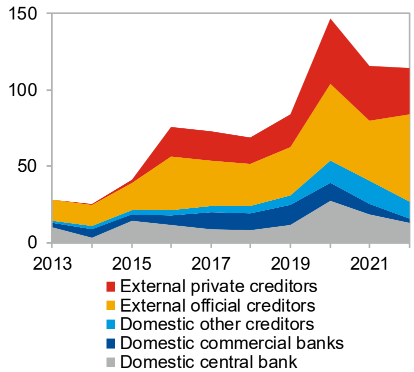
Annex I. Figure 3. Suriname: Public Debt Structure Indicators

Debt By Currency (Percent Of GDP)



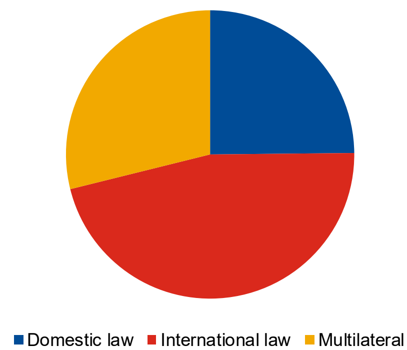
Note: The perimeter shown is central government.

Public Debt By Holder (Percent Of GDP)



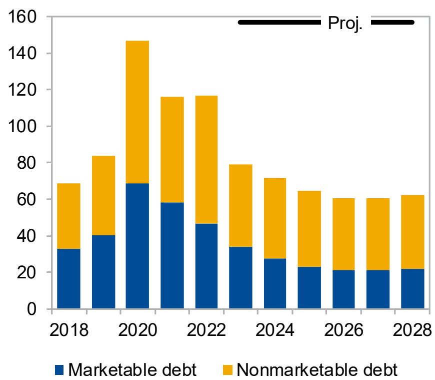
Note: The perimeter shown is general government.

Public Debt By Governing Law, 2022 (Percent)



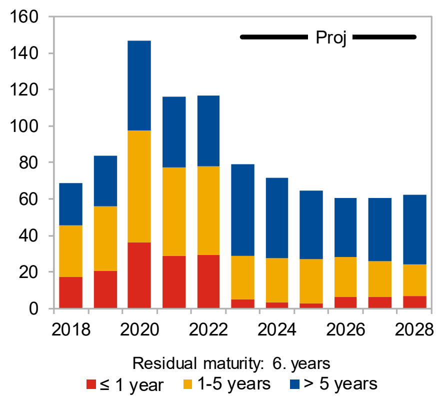
Note: The perimeter shown is general government.

Debt By Instruments (Percent Of GDP)



Note: The perimeter shown is general government.

Public Debt By Maturity (Percent Of GDP)



Note: The perimeter shown is general government.

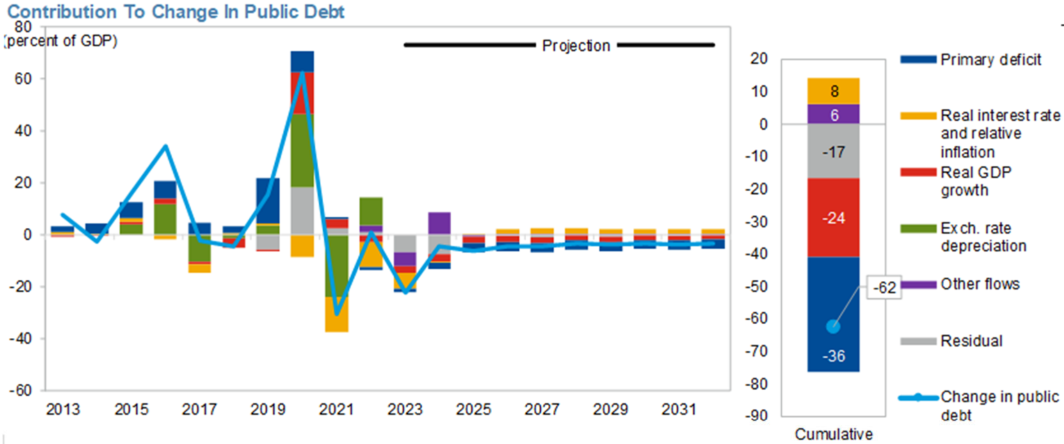
Staff commentary: Public debt is 116.8 percent of GDP as of 2022, out of which FX debt explains 100 percent of GDP and external public debt explains 88 percent of GDP. Multilateral debt accounted for 34 percent of GDP in 2022, about 3/4 of which is owed to Inter-American Development Bank (IADB). Other official debt includes bilateral debt (19 percent of GDP) and ECA-backed debt (6 percent of GDP). Among the official creditors, China is the largest at 15 percent of GDP, followed by the Paris Club at 3 percent of GDP and India at 1 percent of GDP. Private debt is comprised of bonds and loans, of which two eurobonds account for 21 percent of GDP and non-ECA backed securities account for only 0.4 percent of GDP. External arrears amount to 14 percent of GDP as of end-2022. Domestic debt is estimated to be 29 percent of GDP as of end-2022, of which debt owed to CBvS accounts for 9 percent of GDP, debt to commercial banks accounts for 4 percent of GDP, debt to non-banking institutions accounts for 7 percent of GDP. Domestic arrears, including supplier arrears, as of end-2022 are estimated at 9 percent of GDP.

Annex I. Figure 4. Suriname: Baseline Scenario

(Percent of GDP unless indicated otherwise)

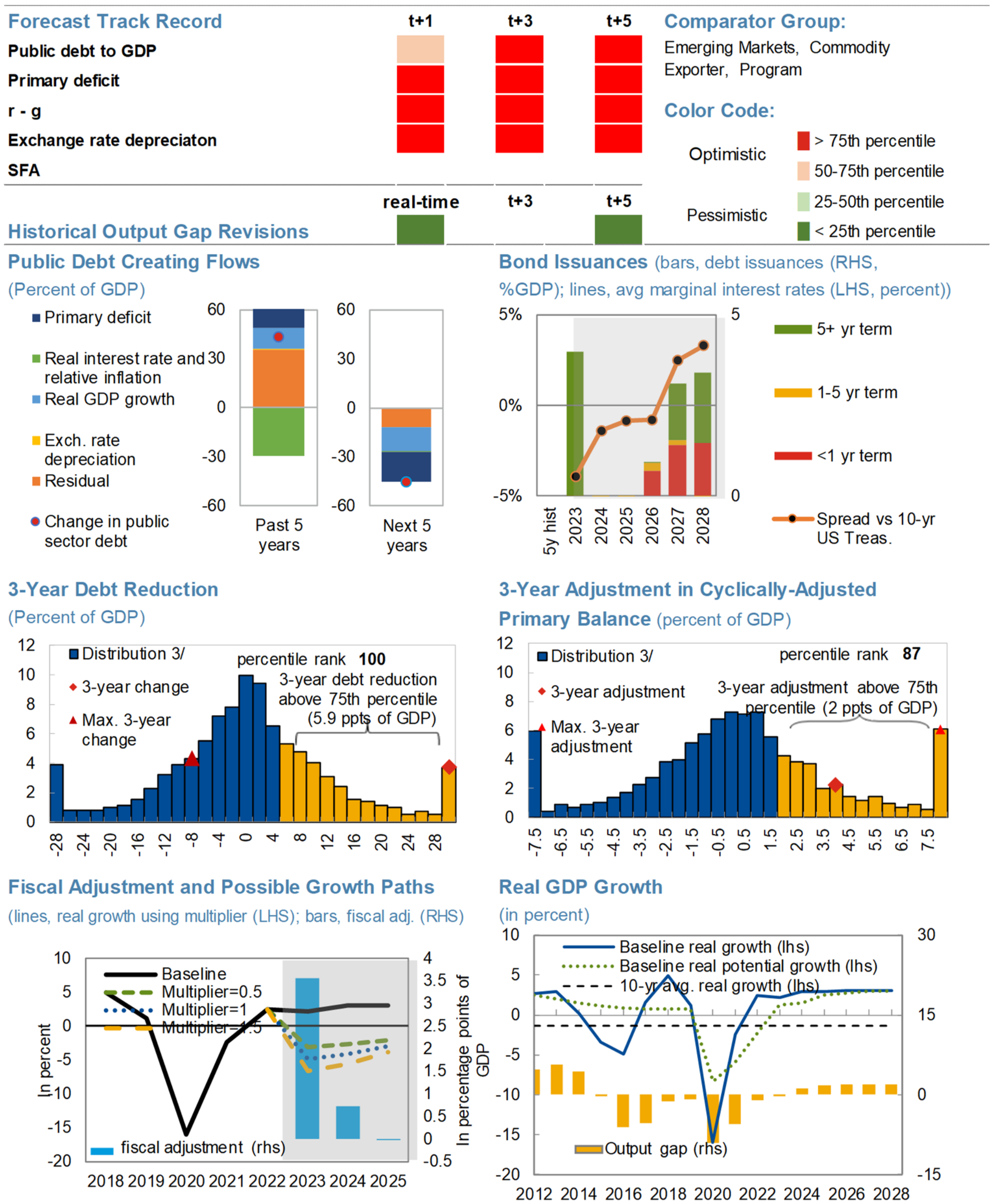
	Actual	Medium-term projection						Extended projection			
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Public debt	116.8	91.8	87.9	82.2	78.3	74.1	71.0	67.3	64.1	60.7	57.5
Change in public debt	0.9	-22.1	-4.5	-6.3	-4.2	-4.5	-3.3	-3.9	-3.3	-3.6	-3.3
Contribution of identified flows	-0.2	-34.7	2.9	-6.2	-3.9	-3.4	-3.3	-3.3	-3.3	-3.3	-3.2
Primary deficit	-1.0	-1.3	-2.7	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5	-3.5
Noninterest revenues	26.8	24.9	25.2	25.6	25.6	25.6	25.6	25.6	25.6	25.6	25.6
Noninterest expenditures	25.8	23.6	22.4	22.1	22.1	22.1	22.1	22.1	22.1	22.1	22.1
Automatic debt dynamics	-1.5	-28.1	-3.1	-2.2	-0.9	-0.4	-0.1	-0.1	-0.2	-0.1	-0.1
Real interest rate and relative inflation	-9.6	-6.3	-0.4	0.4	1.5	1.9	2.1	2.0	1.8	1.7	1.7
Real interest rate	-30.7	-36.0	-10.3	-6.6	-2.9	-1.5	0.3	0.3	0.4	0.4	0.5
Relative inflation	21.1	29.7	10.0	7.1	4.4	3.4	1.8	1.7	1.5	1.3	1.2
Real growth rate	-2.8	-2.5	-2.7	-2.6	-2.4	-2.3	-2.2	-2.1	-2.0	-1.9	-1.8
Real exchange rate (evaluated by eop FX)	10.9	-19.4	...	...	...	...	...	...	...	...	...
Other identified flows	2.3	-5.2	8.7	-0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4
Contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposit increase	4.1	0.0	0.0	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CBvS restructuring	-1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nominal haircut by restructuring	0.0	-6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recap assumption	0.0	0.0	5.3	0.7	0.5	0.5	0.4	0.4	0.4	0.4	0.4
IMF finance: BOP	0.0	1.5	3.4	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution of residual	1.1	12.6	-7.4	-0.1	-0.3	-1.0	-0.1	-0.6	0.0	-0.3	-0.1
Gross financing needs (incl. arrear clearance, base)	11.9	3.1	8.8	4.7	2.6	6.1	7.0	7.8	7.3	7.8	7.9
of which: debt service	10.9	7.0	7.7	6.4	6.1	9.6	10.5	11.3	10.8	11.3	11.4
Local currency	0.6	1.5	1.4	0.9	0.8	1.5	2.3	2.3	2.4	2.8	3.5
Foreign currency	10.3	5.4	6.3	5.5	5.2	8.1	8.2	9.0	8.4	8.5	7.9
Gross financing needs (excl. arrear clearance)		5.7	4.9	2.9	2.6	6.1	7.0	7.8	7.3	7.8	7.9
Memo:											
Real GDP growth (percent)	2.4	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Inflation (GDP deflator; percent)	43.8	51.4	17.9	13.3	8.9	7.4	5.0	5.0	5.0	5.0	5.0
Nominal GDP growth (percent)	47.3	54.6	21.4	16.7	12.2	10.6	8.1	8.2	8.1	8.1	8.1
Effective interest rate (percent)	4.7	3.8	4.7	4.7	5.0	5.3	5.4	5.5	5.5	5.7	5.8

Contribution To Change In Public Debt



Staff commentary: Public debt stands at 116.8 percent of GDP as of end-2022. It is projected to decline below 90 percent of GDP by 2024 due to fiscal adjustment efforts as well as restructuring agreements, and it would be placed on a steady downward trend over the medium and long term, falling to below 70 percent in 2029, and below 50 percent by 2034. Gross financing needs peak in 2024 due to clearance of domestic debt arrears. GFNs are expected to trough in 2026 and projected to gradually increase in the medium to long run towards 9 percent of GDP in 2033 because amortization of restructured external debts as well as the IMF loans would commence after grace periods. The GFN path is anchored by sustained primary surpluses and it is essential to continue fiscal adjustment efforts in the medium to long term. In addition, it is important to keep a liquidity buffer, including the government's deposits, against the increasing financing needs. Note that the recapitalization assumption, which has not been realized, adds 5.4 percent of GDP to the public debt stock in 2024 (5 percent for the CBvS and 0.4 percent for commercial banks), while the nominal haircut by bondholders has an impact to reduce the public debt stock by 7 percent in 2023. The IMF's BOP finance component is added to the debt stock. The GFN underlying the GFN tool and restructuring targets reflects arrear clearances.

Annex I. Figure 5. Suriname: Realism of Baseline Assumptions



Commentary: The tools alert to a rapid reduction in public debt and improvement in primary balance, but their projections are underpinned by the authorities' strong commitments to fiscal adjustment, ongoing debt restructuring as well as recovery from COVID-19. The interest-growth gap also shows optimism, but this is partly explained by the fact that about half of total financing is expected to come from IFIs without access to external market until 2027. The short-term real interest rate is projected to be zero, reflecting the roll-over process of T-bill/T-note arrears with original interests. In the long term, the real exchange rate is assumed to converge to an appreciation of 0.6 percent per year due to Balassa-Samuelson effects.

Annex I. Figure 6. Suriname: Medium-Term Risk Analysis

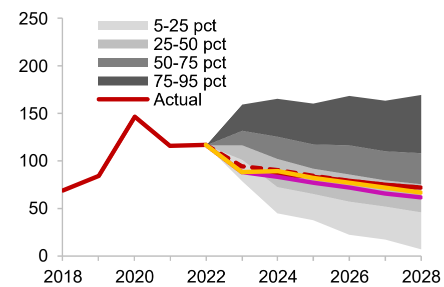
Debt Fanchart And GFN Financeability Indexes

(percent of GDP unless otherwise indicated)

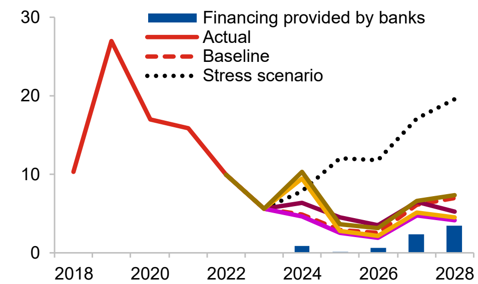
Module	Indicator	Value	Risk index	Risk signal	EM, Com. Exp, Program (0 / 25 / 50 / 75 / 100)
Debt fanchart module	Fanchart width	162.5	2.4	…	
	Probability of debt not stabilizing (pct)	10.0	0.1	…	
	Terminal debt level x institutions index	58.5	1.3	…	
	Debt fanchart index	**…**	**3.7**	**High**	
GFN finance-ability module	Average GFN in baseline	5.4	1.8	…	
	Bank claims on government (pct bank assets)	7.2	2.3	…	
	Chg. in claims on govt. in stress (pct bank assets)	5.3	1.8	…	
	GFN financeability index	**…**	**5.9**	**Low**	

Legend: Interquartile range; Suriname

Final Fanchart (Percent Of GDP)



Gross Financing Needs (Percent Of GDP)

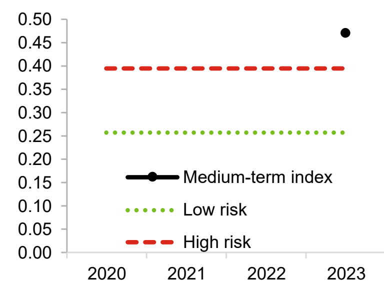


Triggered stress tests (stress tests not activated in gray)

Banking crisis | Commodity prices | Exchange rate | Contingent liab. | Natural disaster

Medium-Term Index

(index number)



Medium-Term Risk Analysis

	Low risk threshold	High risk threhsold	Weight in MTI	Normalized level
Debt fanchart index	1.1	2.1	0.5	0.8
GFN finaceability index	7.6	17.9	0.5	0.1
Medium-term index (MTI)	0.3	0.4	…	0.5, High

Prob. of missed crisis, 2023-2028 (if stress not predicted): 54.5 pct.

Prob. of false alarm, 2023-2028 (if stress predicted): 3.4 pct.

Commentary: The Debt Fanchart Module points to high risk of debt distress mainly driven by the wide width of the fanchart. Suriname experienced large fluctuations in real exchange rate and inflation in the past, which contributes to the wide width; however, the flexible exchange rate regime and adjustments under the program are expected to mitigate such risks. The risk from debt-non stabilization is relatively contained because of the steady decline in public debt and fiscal adjustment efforts in the medium term, though the terminal debt level in 2028 still stands at a relatively high level (i.e., above 70 percent of GDP). The GFN finance-ability module suggests low risk of debt distress, supported by a declining GFN path in the medium term. The risk from the change in government's claims is relatively contained because exposure to external private creditors is limited in the medium term; however, the current fragile state of domestic banks could bring about additional risks in liquidity. In addition, the GFN could be larger than expected due to the recapitalization needs for CBvS which is highlighted by stress scenario in the chart. The recapitalization should be planned to avoid excessive risks in solvency and liquidity, while ensuring the financial health of CBvS and commercial banks. The modalities used in orchestrating the recapitalization will impact the GFN, with direct equity injections resulting in a significant increase of immediate GFN needs while the use of securities could reduce immediate GFN needs and would spread the financing of the recapitalization over a longer period of time. On the other hand, the risks on public debt can be mitigated by the significant share of government revenues received in foreign currency as well as potential future oil revenues. In line with the best international practice, the DSA does not incorporate impact of potential oil production since available information, so far, does not provide assurances about the economic viability of the oil reserves. Overall, the medium-term risk and overall risk are considered to be high even under the restructuring scenario, considering vulnerability to macro-fiscal shocks and potentially higher GFN needs from the recapitalization.

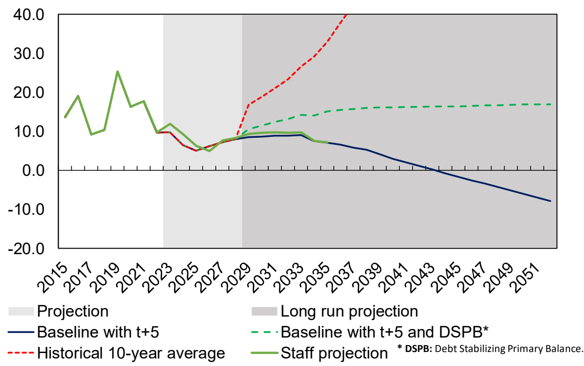
Annex I. Figure 7. Suriname: Long-Term Risk and Analysis

Large Amortization Trigger

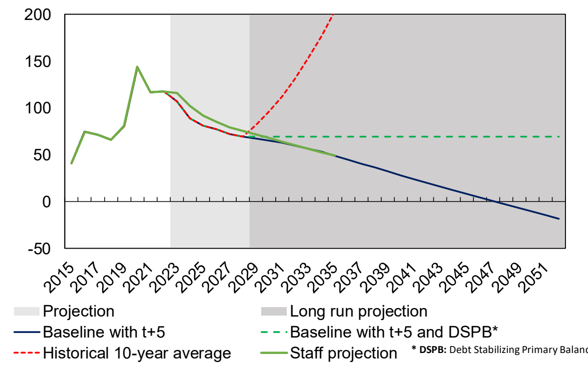
Projection	Variable	Risk Indication
Medium-term extrapolation	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Medium-term extrapolation with debt stabilizing	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Historical average assumptions	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Overall Risk Indication		

Alternative Baseline Long-term Projections

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio

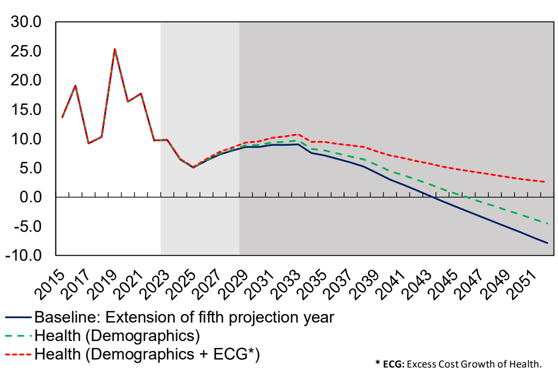


The long-term analysis indicates that GFN to GDP and public debt to GDP diverge very quickly if the government followed the past 10-year path. The historical 10-year average scenario is less informative because the scenario includes macro-fiscal shocks during the crisis period of 2020-22; nevertheless, it highlights the importance of running sufficient PB surpluses to achieve declining GFN to GDP and public debt to GDP paths in the medium to long term. The staff's projection is in line with the case of "Baseline with t+5", and it suggests that GFN to GDP goes back to below 10 percent from 2029 to 2033 due to repayments to restructured external debts as well as to the IFIs including the Fund. Therefore, it is essential to continue fiscal reforms and keep sufficient liquidity buffer in the medium term.

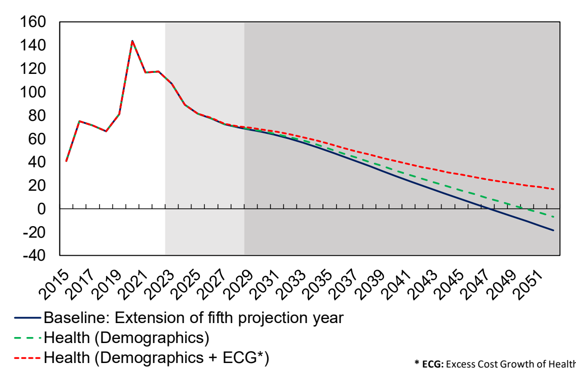
Note: staff projection shows the baseline until 2035. The staff projection deviates from the long-term module's (mechanical) baseline because the former reflects below-the-line transactions (e.g., arrear clearances, debt restructuring).

Demographics: Health

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio

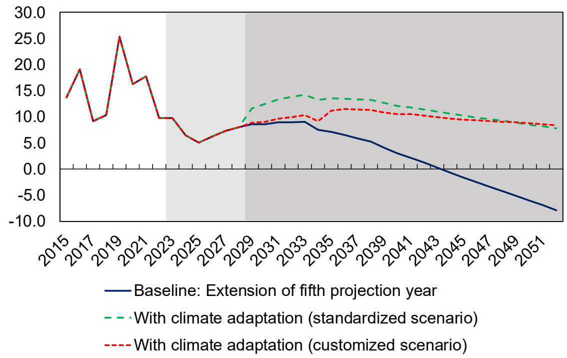


Health cost based on demographic changes could provide additional risks in the long-term but this would not have a material impact given that GFN to GDP and public debt to GDP keep declining paths based on continued fiscal efforts.

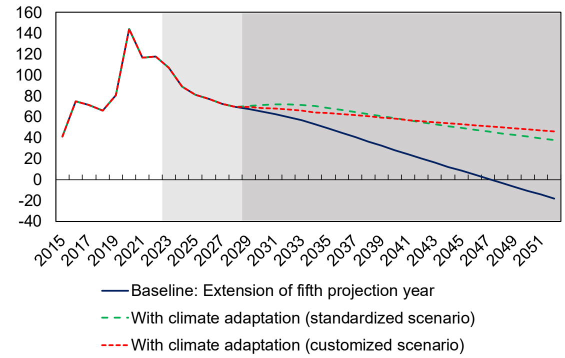
Annex I. Figure 7. Suriname: Long-Term Risk and Analysis (concluded)

Climate Change: Adaptation

GFN-to-GDP Ratio



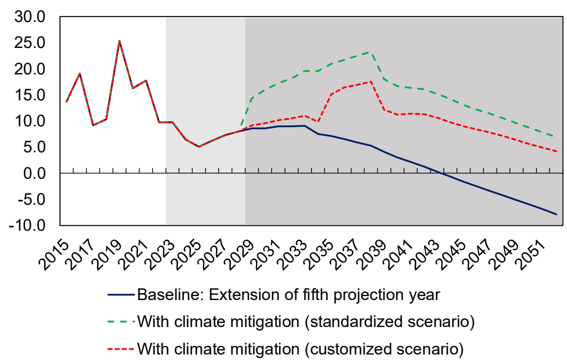
Total Public Debt-to-GDP Ratio



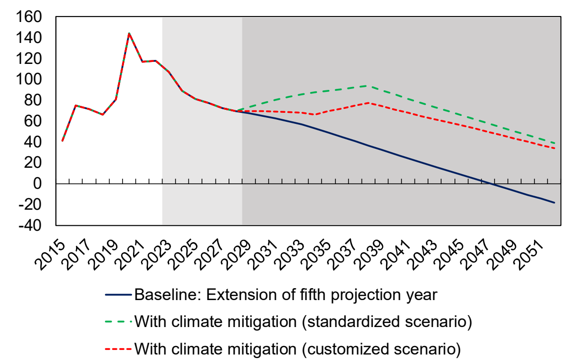
Suriname is outside the hurricane belt but is occasionally affected by the tails of hurricanes and local storm events, resulting in flooding. Climate adaptation could cause additional fiscal costs on top of the gradually increasing GFN to GDP in early 2030. In the customized scenario, adaptation requires additional investment worth 3 percent of GDP per year. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. The customized scenario assumes The long-term analysis refrains from conducting natural resource module until FID of a new oil development is confirmed.

Climate Change: Mitigation

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio



Climate mitigation could cause additional fiscal costs on top of the gradually increasing GFN to GDP in early 2030. Therefore, it is important to continue fiscal efforts and keep sufficient fiscal and liquidity buffers. In the customized scenario, adaptation requires additional investment worth 5.7 percent of GDP.

A. Public Debt Under Restructuring Scenario

1. **The goal of debt restructuring, in conjunction with fiscal consolidation, is to put public debt on a firm downward trajectory and achieve the medium- and long-term debt anchors.** The overarching objective of the program is to reduce public debt to 60 percent of GDP by 2035 and reduce GFNs to an average of 9 percent and an upper limit of 12 percent over 2023–35. These serve as the long-term anchors of the program, providing sufficient buffer given the Suriname's vulnerabilities. A 60 percent debt-to-GDP target is consistent with other recent debt restructurings under IMF-supported programs in the region (e.g., Barbados and Jamaica).

2. **The specific assumptions of the baseline program scenario are as follows:**

- ***Debt restructuring external official creditors***. Under the restructuring scenario, the debt perimeter for restructuring covers external commercial and official bilateral debt (including arrears), in total amounting to about 50 percent of GDP as of end-2021. The authorities reached a restructuring agreement with Paris Club creditors on June 24, 2022, followed by bilateral agreements with all the PC creditors. The final bilateral agreement was reached with Italy in June 2023. Under the agreement with the Paris Club, there is no face value reduction of official debt and ECA-backed commercial debt, but amortization is paused for 7 years (until 2028) and for 8 years (until 2029) respectively. 60 percent of the PC arrears under the bilateral agreement were already paid and the remaining 40 percent is expected to be paid in 2024. In March 2023, an agreement on official credit lines by EXIM India was made and 60 percent of the end-2021 arrears have already been paid, while the remaining 40 percent is expected to be paid in 2024. In line with the Paris Club agreements, amortization is paused for 7 years (until 2028) without face value reduction. An agreement on loans backed by EXIM India was made in May 2023. An agreement in principle at the technical level was reached with China in November 2023 on both phases of the debt treatment (flow and stock relief), which appears in line with the PC treatment and program parameters. It was signed by both parties in March 2024. The agreements with the Paris Club, India and EXIM China do not include a Value Recovery Instrument (VRI). The agreements with the Paris Club and EXIM China include contingencies for the second phase of debt treatment should the macroeconomic outlook improve, in particular pertaining to oil developments.

- ***Debt restructuring with external private creditors***. The authorities reached an agreement in principle (AIP) with bondholders in May 2023. The formal debt exchange with private external bondholders was finalized in November 2023, reaching a pre-CAC participation rate over 96 percent and a post-CAC participation rate of 100 percent.[18] The new bonds were issued in an aggregate principal amount of USD 650 million, with an additional USD 10 million issued to cover fees and expenses of the bondholder committee. Interest payments start from 2024 with a coupon of 4.95 percent in cash and with a coupon of 3 percent being capitalized until January 2026, when the coupon rate increases to 7.95 percent. The bonds are amortized in 14 semi-annual installments starting in 2027 equal to 1/14th of the outstanding principal amount. The bonds also include a VRI conditional on new revenue streams from a specific oil development project which is currently under the appraisal process. The program baseline conservatively does not incorporate the additional oil revenue nor debt services on VRI given that a relevant final investment decision (FID) has not been made. After a "one-off" floor of USD 100 million secured for the government, the annual allocation to the VRI is limited to 30 percent of the royalty revenues from the oil development project.[19] In this sense, the VRI would not bring about additional debt sustainability concerns, and the new oil development is considered as potential upside risk. The aggregate amount paid under the VRI is capped at USD 787 million. Under the baseline (without the VRI), using the typical methodology used by official creditors such as the PC this restructuring scenario results in NPV reductions of 19 percent for official and 21 percent

[18] Negotiations with private external creditors for restructuring the non-ECA backed loans are ongoing and are expected to be finalized by end-June. Before the bond exchange, the Eurobonds comprised 95 percent of the total external debts with private external creditors (see Table 1).

[19] In 2022, royalty revenue is estimated to be 18 percent of the total mining revenue.

for external commercial creditors at a 5 percent discount rate. Other private creditors are assumed to be treated in line with either bondholders or official bilateral creditors.

- ***CBvS restructuring:*** Legacy debts to the CBvS have been restructured into a new loan with a grace period of 2 years and a maturity of 27 years. All short-term advances made to the CG have been repaid to the CBvS in 2023 and there are no outstanding arrears as of October 2023. Losses arising from this restructuring will be reflected in the CBvS recapitalization plan.

- **Other domestic restructuring.** As of November 2022, accumulated domestic debt arrears to commercial banks and NBFIs peaked at SRD 3.3 billion. By February 2024, the authorities had finalized the bilateral restructuring negotiations for all domestic debts (mainly by rollovers combined with extending maturities), including a large USD loan to a commercial bank which accounted for 50 percent of arrears at end-2023. The authorities have gradually implemented a concrete action plan for clearing all domestic debt arrears. Arrears stood at SRD 2.0 billion at end-2023 and all arrears except technical ones are expected to be cleared by March 2024 (*new proposed SB*).

- **Supplier arrears and other arrears.** The final audit of the legacy supplier arrears as of end-2021 confirmed a stock of SRD 4.1 billion. The authorities cleared (on a net basis) SRD 1.5 billion in 2022. The total stock of accounts payable increased to SRD 7.0 billion by end-2023. About 80 percent of this stock is more than 90 days past the due date and hence considered supplier arrears.[20] The authorities are committed to net clearance of at least SRD 3.5 billion in 2024 and to clearing all other accounts payable by 2025, while further improving their capacity through PFM reforms and TA. In addition, there exists a gold loan agreement in arrears, which was evaluated at SRD 0.4 billion at end-2022, and this will be cleared in 2024 under a renewed agreement. As of end-2023, the authorities had also accumulated SRD 0.6 billion of VAT arrears more than 90 days pas the due date. These arrears are expected to be cleared in 2024 in line with the new indicative target. The domestic arrear repayment schedule in 2024 that incorporates the government strategy and staff's assumption are summarized in the Text Table.

Suriname: Domestic Arrear Clearance Schedule in 2024 (net basis)

	2024	
	SRD millions	% of GDP
Arrear repayments	**6,601**	**3.9%**
Commercial banks and NBFIs	2,015	1.2%
Gold loan	512	0.3%
Suppliers	3,481	2.1%
VAT refunds	594	0.4%

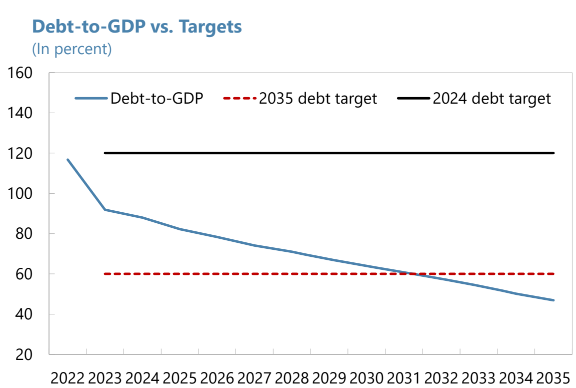
Source: IMF staff estimates.

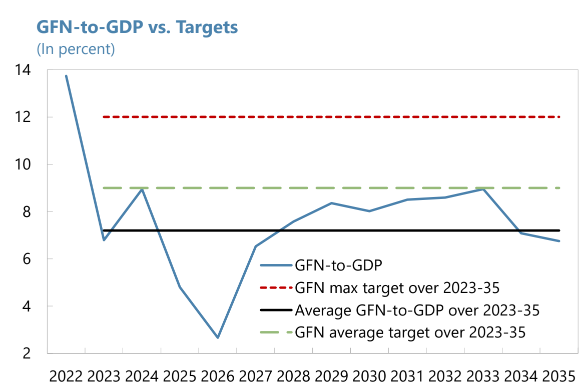
- ***Financing:*** Financing requirements are projected to decline significantly over the medium term due to the external debt restructuring, both through the face-value reduction and coupon reduction on existing external bilateral and commercial debt. Budget support from the IDB is

[20] Recording of supplier arrears has improved with the help of Fund TA. Estimates of the monthly stock of other accounts payable and supplier arrears (more than 90 days past the due date) are now available since January 2022.

assumed until only 2024 as a conservative assumption, though the government might seek further support afterwards. Project financing from multilateral creditors is assumed to decline gradually in the medium to long term as Suriname switches to market financing of its capital expenditures. Domestic financing is expected to be limited in 2024 and 2025 due to the gradual recovery in the market confidence. The baseline assumes no domestic market access until 2026. External market access is assumed to resume in 2027. The lack of external and domestic market access creates a potential financing gap in 2025 that is filled by deposit withdrawal. The government had accumulated deposits of SRD 18.0 billion (13 percent of GDP) by end-2023, so potential delays in market access could be covered by a large liquidity buffer. The recapitalization of the commercial banks is a one-off operation, assumed to add 0.4 percent of GDP to the public debt stock in 2024 and 0.2 percent of GDP in 2025. Based on the FY 2020 audit, the recapitalization of the CBvS is assumed to equal 5.0 percent of GDP in 2024. The baseline assumes that the CBvS will need annual injections to ensure capital and reserves grow with GDP. The associated financing needs are not incorporated in the DSA because of the uncertainty regarding the scale and the modalities of the recapitalization. The modalities used in orchestrating the recapitalization will impact the financing needs (e.g., the use of securities could reduce immediate GFN needs and would spread the financing of recapitalization over a long-time horizon). The recapitalization of the CBvS is assumed to require annual interest payments in local currency equal to 9 percent of the aggregate injection.

3. **Public debt is assessed to become sustainable under the restructuring scenario and the implementation of the program.** Public debt would be placed on a steady downward trend over the medium and long term, falling below 90 percent in 2024, below 70 percent in 2029, and below 50 percent in 2035. Moreover, GFNs would decline sharply from 6.8 percent in 2023 to 2.7 percent in 2026. GFNs would rise to 7.1 percent in the medium to long term due to debt service to the IFIs (including the IMF) and repayments of restructured external claims, but it would remain at sustainable levels over the long term with GFNs declining from 2033 onwards. If downside risks were to materialize, however, fiscal consolidation beyond the program period may be needed to generate additional buffers.





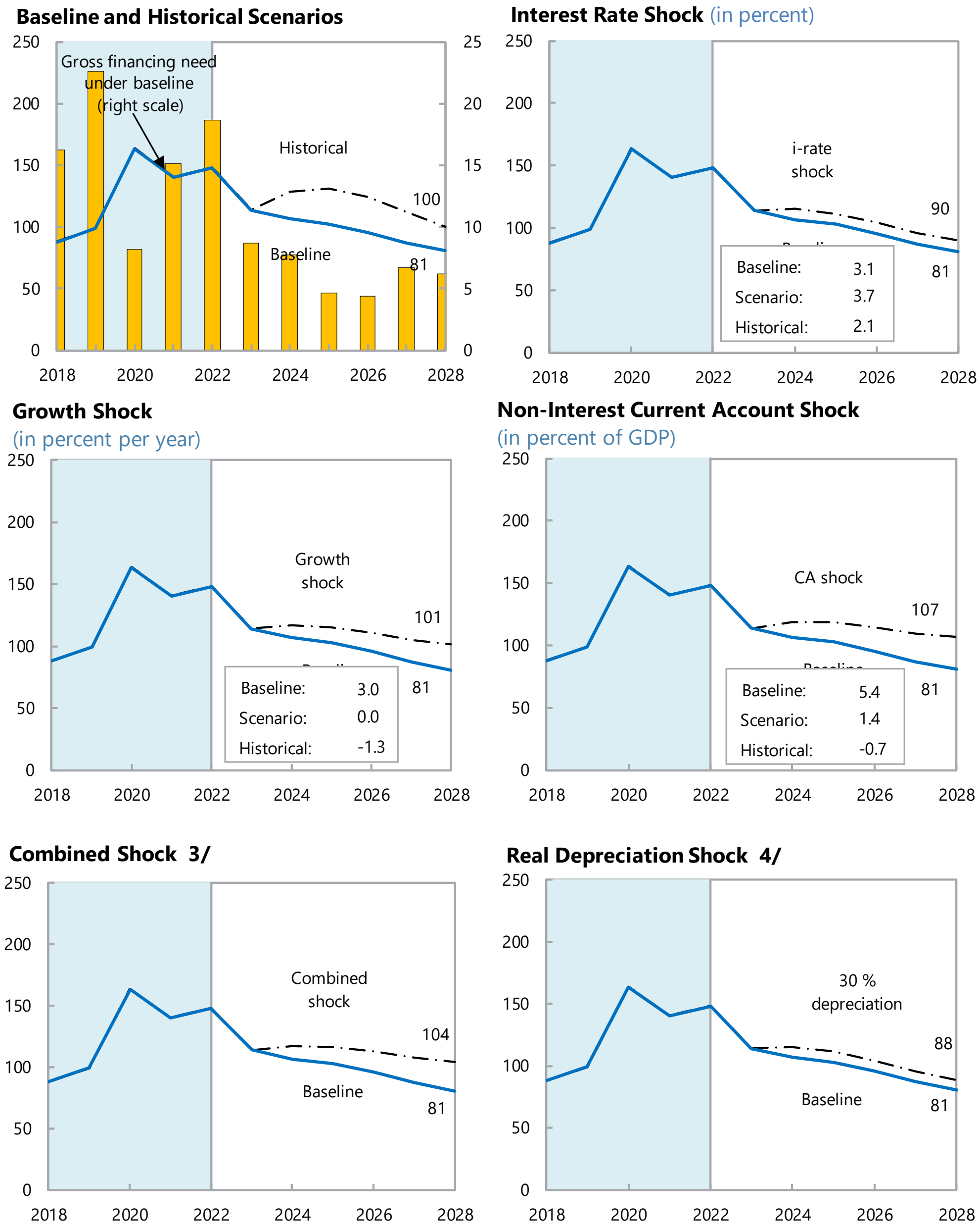
Sources: IMF staff estimates.

B. External DSA

4. External debt is projected to be 114 percent of GDP at end-2023, down from 148 percent at end-2022. Total external debt is forecasted to decline below 80 percent of GDP at end-2029. It is expected to track public sector external debt, which accounts for more than 50 percent of total external debt, over the next few years and decline substantially due to a large fiscal adjustment and public external debt restructuring.

5. While external debt is projected to decline substantially over the medium term, macroeconomic shocks pose significant risks (Figure 6). Various economic shocks reveal that the external debt would be generally kept below 150 percent of GDP. However, the historical scenario suggests that external debt would be considerably higher than the baseline absent efforts on fiscal adjustment, public external debt restructuring, and macroeconomic stability, especially exchange rate stability. Continued internal and external adjustment is critical to ensure external sustainability going forward.

Annex I. Figure 8. Suriname: External Debt Sustainability: Bound Tests 1/2/3/4
(External Debt in percent of GDP)



Sources: International Monetary Fund; Country desk data; and staff estimates.
1/ Shaded areas represent actual data. Individual shocks are permanent one-half standard deviation shocks. Figures in the boxes represent average projections for the respective variables in the baseline and scenario being presented. Ten-year historical average for the variable is also shown.
2/ For historical scenarios, the historical averages are calculated over the ten-year period, and the information is used to project debt dynamics five years ahead.
3/ Permanent 1/4 standard deviation shocks applied to real interest rate, growth rate, and current account balance.
4/ One-time real depreciation of 30 percent occurs in 2024.

Appendix I. Letter of Intent

Paramaribo, Suriname
March 5, 2024

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, DC 20431

Dear Ms. Georgieva,

We are continuing to make steady progress in implementing the needed macroeconomic adjustment and structural reforms to help Suriname recover from the unprecedented economic crisis and lay foundations for inclusive growth. Recognizing our commitment to prudent fiscal management and macroeconomic stabilization and commending our ability to implement difficult policies amidst increasingly challenging domestic and external environment, the Executive Board completed the third review on September 25, 2023 and the fourth review on December 15, 2023.

Our performance on quantitative targets for this review has been solid. We met the end-December 2023 quantitative performance criteria (QPCs) on the floor on the primary fiscal balance of the central government, the floor on the net international reserves (NIR), the ceiling on the net domestic asset (NDA) of the central bank, the ceiling on the central government SRD mineral revenue, and all the other continuous PC. Despite our best efforts to increase the social assistance spending in December, we missed the related the indicative target (IT). We are taking corrective measures to ensure that the poor and vulnerable are protected during this difficult period of adjustment, both by increasing the size of various cash transfers and expanding the social safety net to include more eligible beneficiaries. We have already delivered 59,000 cash cards to our communities by end-February 2024, have published information on the number of beneficiaries and amounts spent by program and by each district, including the eligibility criteria, and are finalizing our time-bound strategic plan to improve efficiency and effectiveness of social spending with the help of the ILO and the IDB.

We are putting government finances on a healthy and sustainable track. In January, we enacted the 2024 budget consistent with the 2.7 percent of GDP primary fiscal balance target under the program. On the expenditure side, we are removing unregistered and chronically absent workers from the public payroll and phasing out electricity, gas, and water subsidies while, at the same time, increasing social protection spending to compensate vulnerable households. On the revenue side, we are fully implementing the recently amended VAT law, and improving our technical capacity to administer it with the goal of promptly clearing VAT refund arrears. We have also increased land lease fees.

Our commitment to fiscal and monetary discipline and macroeconomic stabilization is paying off. Economic recovery is ongoing, the nominal exchange rate has been stable and even slightly appreciating in recent months, inflation is on a steady downward trend, and private sector credit growth remains contained. Investor confidence is improving, and donors' engagement is increasing. International bond spreads have declined to the lowest level since the start of the program. This proven track record of prudent fiscal and monetary policies, combined with the successful finalization of the private debt exchange has led to a credit rating upgrade by S&P .

Our reforms to strengthen public financial management are gathering momentum. Having established a new Cash Management Unit within the Treasury Department in December, we are now turning our focus to the implementation of a pilot treasury single account. We will issue a state decree giving the Minister of Finance access to all government bank accounts – a key step in moving to a unified cash management system. We are also prioritizing improvements to our commitment controls to limit the accumulation of new supplier arrears and are implementing a strategy to manage existing arrears. To strengthen debt management, we have signed a memorandum of understanding between the central bank (CBvS), debt management office (SDMO), and the Ministry of Financial and Planning (MoFP), outlining responsibilities and procedures for external debt service payments.

We remain committed to a flexible, market-determined exchange rate. We have refrained from direct FX interventions and are improving the functioning of the FX market. After resolving some procurement and technical delays, we will launched an electronic FX trading platform in March, initially for inter-bank trading with a view to improving price discovery, transparency, and liquidity in the FX market.

We remain committed to further strengthening the central bank. In that regard, we will ensure that the new governance structure of the central bank, in line with the new Central Bank Act, is fully constituted. We are also finalizing a timebound plan for recapitalizing the central bank to strengthen its balance sheet, which is crucial for conducting monetary policy independently and efficiently. We will make every effort to expedite the pending audits of the central bank's FY2021-22 financial statements, and promptly implement outstanding safeguards recommendations. We will submit a legislative amendment to the Foreign Exchange Regulation 1947 to make it consistent with the Central Bank Act to the National Assembly incorporating comments from IMF staff.

We have made substantial progress with debt restructuring. Agreements with the Paris Club (PC) creditors, EXIM India and bondholders have now been completed. An agreement-in-principle (AIP) with EXIM China on the two-stage debt treatment consistent with program parameters and comparability of treatment among creditors has also been finalized. Negotiations with remaining private external creditors are ongoing, and agreements in principle are expected to be reached in the coming months. On the domestic front, the restructuring of the legacy debts to the central bank has been finalized. The restructuring of treasuries and loans outstanding to commercial banks has also been completed. We are working on clearing all remaining arrears on treasuries and domestic loans. In line with our program commitments, we will not issue any new government guarantees and neither will we, or any entity acting on our behalf, issue any debt collateralized by natural resource revenues.

We are taking actions to address financial sector vulnerabilities. The Bank Resolution Bill and the amendments to the Banking and Credit System Supervision Act have been enacted in January. The CBvS and the MOF agreed on a governance framework for state-owned banks to ensure they are run on a fully commercial basis, providing a level-playing field with private banks. For the undercapitalized banks, we will, in consultation with IMF staff, set interim common equity tier one and capital adequacy ratio targets for these banks and outline the prompt corrective actions should these targets be breached. We will swiftly implement structural reforms, accompanied by prudent supervision and monitoring of the banking system.

We are working on strengthening governance and addressing vulnerabilities to corruption. The Anti-Corruption Commission has been fully operationalized. With the assistance of the IMF, we will amend the legal framework to fully criminalize acts of corruption, in line with Chapter III of the UN Convention against Corruption. Also, with IMF help we will amend the law concerning asset and income declarations to ensure it meets international best practice while accounting for the Suriname context. We are also strengthening the implementation of governance reforms, public procurement, and AML/CFT.

To support our efforts, we request the disbursement under the fifth review of the extended arrangement under the EFF, which will make available an amount equivalent to SDR 46.7 million (36.3 percent of quota or about USD 62.5 million) upon completion (out of which SDR 19.1 million or about USD 25.7 million would be for budget support), and the completion of the financing assurances review. We also request that the quantitative monetary targets under the arrangement be adjusted, and new structural benchmarks be set. We acknowledge that data revision gave rise to a misreporting of the end-September 2023 primary balance of the central government target and noncomplying purchase following completion of the fourth review and ask for a waiver for the noncompliance of this PC based on our prompt actions to correct the data and ongoing efforts to improve the quality of fiscal statistics.

The attached Memorandum of Economic and Financial Policies (MEFP) provides an update on recent developments since the fourth review of the EFF and sets out in detail the steps that the government intends to adopt to achieve its policy objectives. The government stands ready, if necessary, to take any additional measures required during the EFF to achieve the program's objectives. In such cases, the government will consult in advance with the IMF on the adoption of these measures or revisions to the policies contained in the MEFP, in accordance with the Fund's policies on such consultation, to ensure that the objectives of the government's adjustment program are met. We will also strive to keep our citizens and international partners informed about our policy actions and intentions. In that regard, we authorize the IMF to publish this letter, its attachments, and the related staff report.

The government will provide IMF staff with all the relevant information required to complete the scheduled program reviews and monitor performance on a timely basis. The government will observe the standard continuous performance criteria against imposing or intensifying exchange restrictions, introducing or modifying multiple currency practices, concluding bilateral payment agreements that are inconsistent with Article VIII of the IMF's Articles of Agreement, and imposing or intensifying import restrictions for balance of payments reasons.

On behalf of the government of Suriname, we hereby request the IMF Executive Board to complete the fifth review of the extended arrangement under the Extended Fund Facility (EFF). We request approval of the disbursement of the sixth tranche of the credit, following progress made in the implementation of the program's performance criteria and structural reforms.

Very truly yours,

__________/s/__________
Chandrikapersad Santokhi
President of Suriname

_________/s/_________
Albert Ramdin
Minister of Finance and Planning ad interim (a.i.) on behalf of
Kermechend S. Raghoebarsing
Minister of Finance and Planning
Paramaribo, Suriname

______/s/______
Rakesh Adhin
Acting Governor on behalf of
Maurice Roemer
Governor, Central Bank of Suriname
Paramaribo, Suriname

Attachments: Memorandum of Economic and Financial Policies
Technical Memorandum of Understanding

Attachment I. Memorandum of Economic and Financial Policies

I. BACKGROUND AND RECENT DEVELOPMENTS

1. **Our government remains fully committed to the objectives of our home-grown reform program supported by the Extended Fund Facility (EFF) arrangement.** On December 22, 2021, the IMF Executive Board approved an extended arrangement under the EFF with access of 366.8 percent of quota (SDR 472.8 million or USD 673 million). The program aimed to: (i) restore fiscal sustainability and strengthen fiscal management; (ii) bring public debt down to sustainable levels; (iii) improve the social safety net to better protect the most vulnerable; (iv) upgrade the monetary policy framework and adopt a flexible, market-determined exchange rate; (v) improve the viability of the financial system (including, where needed, through recapitalization) and develop a more effective bank oversight; and (vi) tackle corruption, strengthen institutions and institutional governance, and enhance Suriname's AML/CFT framework. Based on our demonstrated commitment to implement the reform program despite challenging socio-political environment, the IMF Executive Board completed the third and fourth reviews under the extended arrangement under the EFF in September 2023 and December 2023 respectively.

2. **We remain resolute in putting government finances in order.** Fuel subsidies were discontinued, and fuel prices are now determined by an automatic pricing mechanism based on international prices. Specific duties on fuel have also been imposed. Distortionary and costly electricity, gas, and water subsidies are being phased out, while protecting vulnerable groups through higher social assistance spending. The public sector wage bill has been contained. The Value-Added Tax (VAT) was introduced, and its base has been subsequently broadened. We have also made timely progress in completing both domestic and external debt restructuring processes. We submitted and approved a conservative 2024 budget that is in line with the fiscal consolidation envisioned under the program.

3. **We are seeing the results of our hard work and sacrifices in restored macroeconomic stability.** Economic recovery is ongoing. Confidence in the local currency has been restored. Inflation, while still high (at 32.6 percent year-on-year in December 2023) is on a steady downward path. Usable international reserves rose to 6 months of imports at end-December. The 2023 budget was successfully executed in line with the central government primary surplus target.

4. **There are still major challenges ahead and hard work to be done.** While the economy is recovering, real GDP remains below its pre-pandemic level. Inflation is still high, and the financial sector is still vulnerable. Some important reforms, particularly on strengthening governance and addressing vulnerabilities to corruption, are yet to be fully implemented. Nevertheless, we are committed to keeping the reform momentum going despite headwinds from political opposition, reform fatigue among the population, and internal capacity constraints.

II. RETURNING PUBLIC FINANCES TO A SUSTAINABLE PATH WHILE PROTECTING THE VULNERABLE

5. **We have met the CG primary balance (PB) target for 2023.** Lower than projected tax revenue was offset by lower primary expenditures. We were not able to meet the indicative target on social protection spending. Gross financing needs remain aligned with the limits in the program, projected at 8.9 percent of GDP in 2024 and averaging 7.1 percent of GDP over the medium term. Public debt stood at 117 percent of GDP at end-2022 and is expected to fall below 70 percent by 2029.

6. **While the accumulation of VAT refund arrears contributed to a higher primary balance at end-2023, these mostly reflect capacity constraints in processing the refunds.** As the VAT law was only introduced last year, our tax administration authority and the taxpayers are experiencing a steep learning curve in implementing the new law. Based on the recommendations of the recently concluded IMF TA on tax administration, we will implement streamlined and risk-based procedures to ensure fast processing of these refunds. We commit to monitor and clear the outstanding VAT refund arrears by end-2024 (*proposed new indicative target*).

7. **Our enacted 2024 budget is in line with an SRD 4,613 million (2.7 percent of GDP) primary balance target and is underpinned by continued efforts to increase revenue and limit expenditures.**

- *VAT*. In 2023, we enacted an amendment to the VAT Act to broaden the tax base to impose the standard 10 percent VAT rate on 60 percent of household consumption. A new 5 percent rate on water, electricity, and cooking gas will be introduced in June 2024. We have made significant strides in registering companies, with over 4,000 companies registered by end-2023 – albeit short of our target of 5,000 companies. We have recently introduced a VAT refund profiling mechanism to accelerate the processing of VAT refunds. We will deploy all remaining modules of the new information technology system by mid-2024 to help us closely monitor filing compliance (around 70 percent of returns have been filed) and improve our collections (around 60 percent of declared VAT payable has been collected).

- *Wage bill*. We will keep the public wage bill constant in real terms in 2024 at 6.7 percent of GDP. We are proceeding carefully with the process of removing unregistered workers from the public payroll. Savings from this measure will be used to modestly increase the real wages of public sector workers in 2024, in particular for high-skilled ones, which have been eroded over the past three years. In February 2024, we rolled out a digital personnel data information system at five ministries to monitor the size of the civil service, absenteeism, and the alignment between qualifications and appointments. We expect this system to cover all ministries by end-2024.

- *Fuel subsidies and taxes*. We fully eliminated fuel subsidies in March 2023 and reinstated taxes on fuel. Fuel prices are now determined by an automatic pricing mechanism based on international prices. We are developing and documenting a methodology that would automatically increase taxes on fuel when fuel prices drop and decrease the fuel tax when fuel prices increase. This methodology will also incorporate annual adjustments for inflation and a floor on the tax.

- *Electricity subsidies.* We are continuing to phase out costly and inefficient electricity subsidies, mindful that climate change is increasingly impacting our ability to use hydropower to produce low-cost and stable electricity. We increased average electricity bills by around 36 percent in 2023. We have agreed on a plan of tariff hikes that is projected to bring electricity tariffs to cost-recovery by end-2024. We will continue publishing on the Energie Autoriteit van Suriname external website quarterly updates of the tariffs for each consumer group, the rationale for the adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.

8. We are deepening our commitment to strengthening fiscal institutions. The reforms focus on improving our tax administration, public debt management and public financial management (PFM).

- *Improving treasury management.* We will implement a pilot treasury single account (TSA) for a limited set of ministries (*proposed new structural benchmark for end-January 2025*). To enable this reform, we will issue a state decree to provide the Minister of Finance the authority to access all banks accounts held by government entities at commercial banks (*structural benchmark for end-March 2024*). We will hire a project manager with responsibility for the implementation of the TSA, supported by IMF capacity development. Implementation will include devising new business processes for the TSA and developing a strategy for the orderly transition of balances from individual bank accounts to the TSA. We will communicate the decision to establish a TSA broadly across ministries and build capacity for all those involved with the TSA. After implementing the pilot in 2024, we will evaluate the process and consider what changes are needed before fully rolling out the TSA in subsequent years.

- *Preventing supplier arrears.* Aided by IMF capacity development, we have created a cash management unit within the Treasury at end-2023 that will oversee the TSA, cover liquidity planning, accounts management, working capital management and cashflow management. With the help of IMF capacity development, we continue to improve our monitoring of supplier arrears. We will establish a verification process for supplier arrears prior to their recording in the related accounts module of FreeBalance.[1] To prevent further accumulation of supplier arrears, the Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance (*proposed new continuous structural benchmark*). This will require institutionalizing meetings and data sharing between the Budget Department and the Cash Management Unit. We will also improve the reliability of cash flow forecasts and liquidity planning. To improve oversight of expenditure arrears across the government, we will mandate all line ministries to report the stock of arrears to the Ministry of Finance monthly (*proposed new structural benchmark for end-June 2024)*. We will also issue a resolution to clarify that

[1] FreeBalance is the Integrated Financial Management and Information System used by the Government of Suriname.

government will not be responsible for contracts agreed with line ministries that have no prior authorization from the Ministry of Finance (*proposed new structural benchmark for end-April 2024*).

- *Strengthening tax administration*. We are prioritizing improvements in the administration of the new VAT to reduce VAT refund arrears and improve collections. We will mandate that all tax declarations and transactions use a Tax Identification Number (TIN) (*proposed new structural benchmark for end-June 2024*), which will facilitate sharing and cross-matching of data to identify unregistered taxpayers and underreporting. We will fast-track the Tax Identification Number Act needed to enable the use of the TIN by end-April 2024. We will establish a dedicated VAT refund account to pay refunds by July 2024, and with IMF capacity development we will develop a national audit plan with audit risk selection criteria by April 2024. To improve the ease of paying taxes, we will develop an online VAT payment option by end-July 2024. These improvements are expected to improve our ability to administer all taxes.

- *Improving debt management and recording.* To ensure timely payments of debt obligations, we will keep improving SDMO's back-office capacity and coordination between SDMO, the MoFP, and the CBvS. We have set up an information system tasked with receiving and dispatching information regarding upcoming payments to external creditors. With help from IMF capacity development, we have produced and signed a memorandum of understanding (MOU) between these parties, which defines responsibilities for timely information provision to other agencies and processing of payments (*structural benchmark for end-January 2024, met)*. The MOU also specifies an escalation process within each agency and procedures for inter-agency monitoring. We fully staffed the SDMO with five employees responsible solely for the back-office functions.

- *Improving procurement practices.* To improve transparency in public procurement, we will enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and an ex-post validation of delivery of the contracted services *(structural benchmark for end-September 2023, not met), by end-March 2024*. We will then publish the information in line with the enacted law on an external government website by end-June 2024. In collaboration with the CARICOM Secretariat, we will incorporate in our Integrated Financial Management Information System a procurement module and integrate and connect this module with the regional system to increase spending efficiency.

- *Strengthening public investment management with climate considerations.* With help from the IDB, we are upgrading our public investment management (PIM) procedures into a PIM manual. We will publish this manual with general guidelines for the economic appraisal of investment projects, including climate change and flood risk management considerations, and sectoral guidelines for key ministries by end-September 2024. We have already engaged line ministries to sensitize them, and we will seek to formalize these guidelines by strengthening the PIM governance legal framework.

- *Strengthening SOE oversight*. We will strengthen our oversight of SOEs. We will collect and publish the latest financial information for the largest SOEs. We will initiate quarterly financial monitoring of these SOEs and, with help from IMF capacity development, will produce a report that identifies and quantifies the fiscal risk generated by the largest SOEs by end-December 2024.

III. STRENGTHENING THE SOCIAL SAFETY NET

9. Our goal is to ensure that the burden of fiscal consolidation is not borne by the poor and vulnerable. Instead, the better off should pay their fair share of taxes, and the fiscal space created by eliminating generalized energy subsidies that disproportionately benefit the rich should be channeled to help the poor and vulnerable. Sheltering the poor from the adjustment is not only a moral imperative, but also important for preserving growth and securing a stable social environment for the implementation of the program.

10. We will redouble our efforts to tackle extreme poverty. The most recent 2022 Suriname Survey of Living Conditions found that extreme poverty had increased from 0.7 in 2016/17 to 2.6 percent of households. Extreme poverty is concentrated in the interior, with 6.3 percent of households living in extreme poverty. However, the largest increases in extreme poverty came in Great Paramaribo (1.5 percentage points higher) and the rest of the coastal regions (3.2 percentage points higher). Overall poverty, however, had fallen slightly from 23.4 percent to 21.7 percent.

11. Despite our best efforts to sufficiently increase social protection spending, we fell short of the program target, but are taking corrective steps to sufficiently protect the poor in 2024. In July we increased the value of cash transfers by around 45 percent and expanded coverage of the social beneficiary program (SRD 1800 per month) to include recipients of the general old age pension. In December 2023 we fast-tracked the registration and delivery of digital payments cards to applicants to the new social beneficiary program. In January we issued one-off payments to the eligible beneficiaries. We will increase social spending from 2.2 percent of GDP in 2023 to 3 percent of GDP in 2024. We are expanding the coverage of the social beneficiary program which now has over 113,000 beneficiaries. We will better calibrate the value of cash transfers in 2024 to ensure that vulnerable households are protected, with a view to closing the poverty gap for as many poor households as possible. We will coordinate increases in our social beneficiary program with electricity tariff adjustments to ensure that vulnerable households are protected while energy subsidies are phased out.

12. We are developing a strategic plan for improving the efficiency and effectiveness of social protection. With help from the ILO and IDB in conducting diagnostics, we are developing our home-grown strategic plan in line with our Multi-Annual Development Plan 2022–26 *(end-December SB, not met, expected to be implemented with delay in March)*. Our strategic focus is on areas where efficiency savings can be made by rationalizing programs and on expanding coverage. We are working towards creating a single digital beneficiary information system financed by the IDB which is expected to be ready for implementation by end-2025. This will enable us to streamline our 21 social programs into a smaller set of coherent social programs. We are also expanding coverage and reducing costs by transitioning to digital payment methods.

13. To overcome geographic and institutional challenges, we have intensified our digitalization efforts to expand coverage and improve delivery. We are intensifying our efforts to shift beneficiaries to digital payments using a government-provided debit card system. With the help of the IDB, we have purchased 73,500 cards to service our traditional and new cash transfer programs. Rolling out digital payments to households in the interior will vastly improve the efficiency of delivery significantly, particularly in hard-to-reach areas. This will enable us to make more timely, cost-effective, and frequent payments to households in the interior where consumption poverty is 20 percentage points above the national average. Our digital cash transfer infrastructure is a critical pillar of preparedness for future economic shocks. We will further leverage this infrastructure to improve financial inclusion in the future – especially for those in rural areas where only 21 percent of adults have bank accounts.

14. To improve transparency in social protection spending, we have begun reporting on the performance and coverage of our cash transfer programs. We have published on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district, along with the value of cash transfers made to recipients in each district under each program and eligibility criteria (*end-January 2024 SB, met*).

IV. RESTRUCTURING PUBLIC DEBT

15. We are committed to putting public debt on a sustainable path.

- We are committed to bringing down public debt to 60 percent of GDP by 2035. We will keep our gross financing needs below an average of 9 percent of GDP in 2024-35 (and no higher than 12 percent of GDP in any one year). Our program ensures the fiscal position is fully financed in 2024 and 2025.

- We have followed best practices in sovereign debt restructuring, including considering inter-creditor equity and comparability of treatment of all official bilateral creditors. We are committed to working with all external creditors to achieve debt treatments consistent with program parameters and recognizing that servicing debt on the original terms would not be consistent with debt sustainability.

- We reached an agreement in principle with the Paris Club creditors in June 2022 and have subsequently reached and signed bilateral agreements with all the Paris Club creditors. In May 2023, we formally reached an agreement-in-principle with the Bondholder's Committee and the actual debt exchange was successfully finalized in November, with pre-CAC participation of more than 96 percent and 100 percent post-CAC participation. The two outstanding Eurobonds are exchanged for one fixed income instrument that contains a value recovery instrument (VRI) which is structured to ensure that the Republic and its population will fully benefit from oil-related revenues. We presented restructuring offers to China and India in July 2022, and we finalized agreements with India in 2023. In November 2023, an agreement in principle at the technical level was reached with China on the two-stage (flow and stock relief) debt treatment. It was signed by both parties in March. The AIP is comparable with that agreed with the Paris Club (PC) creditors and is consistent with debt sustainability.

- We are conducting our negotiations with remaining private external creditors in good faith, by sharing relevant, non-confidential information with all creditors on a timely basis and providing creditors with an early opportunity to give input on the design of restructuring strategies. Our government's approach has been based on four pillars: (i) a fair and equitable treatment for all our creditors; (ii) transparency and constructive dialogue; (iii) a commitment to fiscal consolidation and reform policies going forward; and (iv) a sustainable debt solution within the IMF debt sustainability framework.

- As part of the commitment to restore debt sustainability, we have completed the restructuring of domestic debt (including arrears) to the central bank and commercial banks. We concluded the restructuring of the legacy debts to the CBvS in December. We are committed to promptly clearing all remaining domestic debt arrears except technical arrears *(new proposed end-March SB)*.

- Other accounts payable, of which 80 percent are supplier arrears that were due more than 90 days ago, stood at SRD 7.0 billion in December. We commit to put a stop to the accumulation of supplier arrears. In addition, we are determined to clear the entire stock of supplier arrears, one half in 2024 and one half in 2025, by the end of 2025. We are actively implementing measures to monitor and prevent the accumulation of supplier arrears (¶9).

- Further, the government will not provide guarantees to debt contracted by other parties during the program, nor will it or the SOEs contract new debt that is collateralized by natural resource revenues (or allow the public sector to contract such debt on behalf of the central government).

V. REDUCING INFLATION

16. Our monetary policy stance has helped put inflation on a downward trend. SRD liquidity conditions remain tight for much of the banking system, supported by continued diligent implementation of the central bank's open market operations (OMOs), more regular wholesale auctions and direct issuances of Central Bank Certificates (CBCs), and the April increase in the local currency reserve requirement by 5 percentage points (from 39 to 44 percent). Private sector credit growth has slowed in recent months, contained in part by the CBvS guidance to commercial banks to limit the increase in the stock of nominal credit to 20 percent over a 12-month period through end-March 2024. The CBvS has overperformed its SRD reserve money target on average in recent months with a view to support faster deceleration of SRD reserve money growth and inflation. The end-December net domestic assets (NDA) also remained well below the ceiling agreed under the program. These measures, alongside the government's restored fiscal discipline, have supported the

CBvS' ability to mop up excess system liquidity, stabilized the growth of reserve money, and put inflation on a downward trend.

17. Nevertheless, challenges remain for monetary policy effectiveness. While the improved monetary policy traction has also strengthened the CBvS' capacity to mop up liquidity more effectively, transmission from OMO interest rates to market interest rates remains weak. Weaknesses in transmission are due to the uneven distribution of banking system liquidity, a limited interbank market, and banks' holding of excess reserves (¶18). Nonetheless, tighter monetary conditions have continued to gradually feed into market interest rates, with interest rates for new term deposits and loans continuing to trend upwards. We are also updating the banks' reporting templates to accurately report the OMOs and liquidity coverage in SRD. We continue to strengthen our monitoring and assessment of monetary conditions and stand ready to implement further tightening measures, as needed, to support the slowing of inflation and our ability to meet the monetary targets under the program. We are also improving our processes for liquidity forecasting and the conduct of monetary policy (¶18).

18. The CBvS stands ready to help banks cover sudden short-term liquidity gaps through the standing lending and intraday facilities. To prevent reliance on the standing facility, it is priced based on the weighted average price of open-market operations plus a modest spread. However, the facilities are currently underutilized as banks prefer to hold on to the excess reserves for precautionary purposes. To strengthen participation in OMOs, we are engaging with the banks to align assessments of excess liquidity and to improve their understanding of all liquidity facilities available with the central bank. We will explore digitalizing various processes to ensure that healthy banks can more easily draw on the liquidity facilities, without having to undergo cumbersome paper-based requests for liquidity which cause processing delays. The CBvS will seek to sterilize liquidity from the use of the facility through OMOs to minimize disruptions to its reserve money targets. The CBvS is also considering the banks rolling over amounts drawn from the standby facility (SLF) twice rather than only once, making the funds available for 15 days. The CBvS has issued a revised circular on the emergency lending assistance (ELA) framework. Banks' access to the ELA is subject to a supervisory decision based on the assessment of viability and solvency, and as needed, remedial action.

19. Our foreign exchange policies are embedded in our commitment to a flexible, market-determined exchange rate. We have refrained from direct FX interventions. The FX market pressures have eased significantly, and the exchange rate has slightly appreciated in December after remaining relatively stable in recent months. The underlying market conditions remain tight with the monetary policy continuing to support anchoring disinflationary expectations. The government will continue conducting limited indirect FX sales to essential goods importers until June 2024—by allowing mineral companies to pay some of their government revenue obligations in SRD from corresponding FX sales—in line with its program commitments. Cumulatively the FX sales through end-December 2023 were limited to just over USD 20 million in view of keeping the total central government SRD mineral revenue receipts under the program USD 30 million ceiling. The MoFP has also strengthened monitoring of the indirect sales to ensure they do not give rise to multiple currency practices, and to support continued accumulation of international reserves. It will continue to transfer all other government net FX receipts (including from IFI budget support) at the prevailing market exchange rate to the CBvS only, except for transfers required to meet the government's domestic FX debt service obligations.[2]

20. We continue our work to improve functioning of the foreign exchange market. After a series of procurement and technical delays in the testing phase, the electronic FX trading platform (*end-September 2023 SB, not met*) is expected to be launched in March 2024. The initial participation in the platform is limited to inter-bank transactions but will be expanded progressively as experience and confidence in the platform grows. The platform has a built-in optionality to also incorporate cambios, gold-producers and other participants. To support timely FX availability to market participants, a surrender requirement for exporters to offer 35 percent of export proceeds for sale to the market remains in force, with sale of repatriated FX to follow banks' own daily rates as per the CBvS Circular 2023-2 issued on September 8, 2023. We have not issued any additional FX market regulatory guidance, and we remain committed to consult with the Fund before issuing any such guidance. Moreover, we will refrain from any interventions or administrative measures that could impede efficient functioning of the FX market or be inconsistent with the program or Suriname's obligations under Article VIII, Sections 2 and 3 of the IMF's Article of Agreement.

VI. REDUCING BANKING SECTOR RISKS

21. We are committed to addressing acute vulnerabilities in the banking system. The reported level of capital adequacy ratio for the banking system is 19.1 percent as of November 2023. Nonperforming loans slightly declined but continue to remain high. The banking system is liquid on aggregate, largely due to high reserve requirements with liquid assets comprising 52.8 percent of total assets. However, liquidity is unevenly distributed across banks and skewed towards two large systemic banks.

22. We will ensure the timely completion of bank recapitalization plans to preserve the stability in the financial system. We reviewed the recapitalization plans submitted by two banks with capital shortages to verify their credibility and approved the plans in December *(end-October SB, not met, implemented with delay in December)*. In line with the post-AQR roadmap, banks pledge, through these plans, to reach the required levels of common equity tier one (CET1) and capital adequacy ratios (CAR) by the end of 2024 and 2025. Consistent with our bank recapitalization assessment framework, these banks are subject to enhanced supervision and restrictions on dividend payouts and bonus payments. To ensure that these plans are effectively implemented and followed, we will, in consultation with IMF staff, set interim CET1 and CAR targets for these banks and outline the prompt corrective actions we would escalate if the targets are breached *(new proposed structural benchmark for end-March 2024)*. Any government solvency support will be designed to be in place for viable banks under strict conditionality to minimize costs and moral hazard, enhance public confidence, and provide a clear exit strategy for the government.

[2] These concern central government debt to a local bank, serviced through an escrow account funded directly by royalty payments by an international gold mining company.

23. We are implementing structural reforms to strengthen supervision of the banking system. The CBvS and the MOF agreed on a governance framework for state-owned banks, benefiting from international best practices, to ensure they are run on a fully commercial basis, providing a level playing field with private banks *(end-December SB, not met, implemented with a delay in February)*. This SB will also guide us for enhancing the governance framework of the state-owned bank with a capital shortfall during the implementation of its recapitalization plan. Amendments to the Banking and Credit Supervision Act and the new Bank Resolution Act, that align legislation with international best practices in supervision and resolution of banks, have been enacted in January. The amendments to the Banking and Credit System Supervision Act enhance risk-based supervision of banks regarding banks' business strategies, governance, risk management (including provisioning policies and AML/CFT compliance), capital planning, budget forecasting, valuation of collateral, and profit and loss projections. This will enhance our supervisory capacity and allow our supervisors to adequately evaluate a bank's financial health and its compliance with regulations, while ensuring that timely measures are taken to prevent further deterioration in its financial position. The Bank Resolution Bill will strengthen CBvS' powers and tools for early intervention, recovery and resolution of credit institutions. We also prepared guidance for banks on nonperforming loans and shared this guidance with the banking system.

24. We are determined to implement other important financial sector reforms. We are committed to improve the supervision of the insurance and pension sectors, the capital market and electronic payment systems, as well as establish credit reporting, deposit insurance, and enhance electronic transactions. CBvS is drafting acts and regulations in these areas. Ongoing efforts to strengthen the AML/CFT framework will support the financial sector resilience. The revised AML/CFT regulation have been issued in February 2024. Given limited resources, we will prepare a comprehensive plan to coordinate and integrate the various reform initiatives to ensure timely implementation, supported by technical assistance by the IMF and other parties.

VII. IMPROVING MONETARY GOVERNANCE

25. The CBvS is continuing to make progress in clearing the backlog of financial statements audits and continues to conduct special audits of program monetary data. The CBvS' audited FY 2020 financial statements in line with International Financial Reporting Standards (IFRS) were published in November. We will publish the FY 2021 and FY 2022 audited financial statements by end-June 2024 *(end-June 2024 SB, proposed to be reset to end-September 2024 for 2022 financial statements)*. Audits of program monetary data conducted for each test date since the start of the program have not raised material issues. We will continue to perform these audits for each future test dates to confirm the data underlying the performance criteria. To reinforce the internal audit function, we will continue to co-source specifics audits while building capacity. Finally, to strengthen the governance and oversight of foreign reserves management by CBvS we received IMF technical assistance and will implement the suggestions in the TA report.

26. The government is taking steps to fully implement the Central Bank Act. The Act has strengthened the mandate, autonomy, and decision-making structure of the CBvS while prohibiting monetary financing of the government. The Act also improves the governance of the CBvS by:

- Clarifying and strengthening the mandate of the CBvS;
- Bringing the CBvS' institutional, financial, and personal autonomy into line with international best practice;
- Strengthening the CBvS's governance by providing for the collegial management of the CBvS and improving internal oversight;
- Increasing transparency, accountability, and oversight;
- Defining clear requirements on accounting, profit distribution, reserves, and eventual recapitalization of the CBvS.

We have taken steps to implement the new CBvS Act, including by establishing the Audit Committee and Risk and Compliance Committee in accordance with their approved charters and approved the Investment Policy, and is developing a regulation for the Supervisory Board and reviewing the Governance Handbook. The government is committed to appoint members to the CBvS council in line with the new law *(new proposed end-March 2024 SB)*.

27. We will review the Foreign Exchange Regulation of 1947 and align it with the new Central Bank Act. Since a full assessment of whether this regulation is still fit and proper will take time, we will follow a two-pronged strategy. The first step was identifying, in consultation with IMF staff, the elements in the regulation that are not aligned with the amendments to the Central Bank Act (e.g., the determination of exchange rate policy, setting exchange rates for FX transactions and the use of different rates). A legislative amendment of the regulation to the National Assembly was not submitted due to capacity constraints (*structural benchmark for end-December 2023, not met*). We will now submit the amendments after incorporating comments from the IMF staff by end-March 2024. In anticipation of the adoption of the amendments, the Foreign Exchange Commission has refrained from using the powers covered by the amendments. Second, we will undertake a full review of the Foreign Exchange Regulation of 1947 in consultation with IMF staff and will involve all stakeholders. The review has been delayed due to staffing capacity constraints, but our aim remains to finalize it by the end of September 2024.

28. We are working on a plan to recapitalize the CBvS. We are determined to ensure that the CBvS has a strong balance sheet and sufficient financial resources to execute its mandate. This enhances the credibility of the CBvS and strengthens the effectiveness of monetary policy. The plan will be based on the FY 2020 published audited financials and will include contingencies to inject more equity should the finalized FY 2021, FY 2022, and FY 2023 financial audits and/or a realized lower market value of instruments used for recapitalization imply higher recapitalization needs. It will include a clear target level of capital with implementation through marketable instruments. The plan will outline a binding timeline to complete the recapitalization before the end of the program. The plan will also contain an agreement between the MoFP and the CBvS on procedures to ensure the equity of the CBvS will remain above the minimum level as outlined in the Central Bank Act (*end-March structural benchmark proposed to be reset to end-April 2024*).

VIII. TACKLING CORRUPTION, IMPROVING GOVERNANCE, AND ENHANCING THE AML/CFT FRAMEWORK

29. While capacity constraints have delayed implementation of key governance reforms, the government has made some progress:

- Following the ratification of the United Nations Convention Against Corruption (UNCAC), the government installed the Anti-Corruption Commission (ACC) in May 2023, for a 5-year term. With the help of IMF capacity development, we will enact amendments to the anti-corruption legal framework to bring it into line with the requirements of Chapter III of UN Convention against Corruption on the criminalization of acts of corruption *(proposed to be reformulated and established for end-June 2024 SB).*

- Also with IMF capacity development, we will make changes to the legal framework to create an effective asset and income declaration scheme which is in line with international best practice, in the Suriname context. The framework will require declarations from politically exposed persons (following the FATF (Financial Action Task Force) definition), involve routine declaration verification, and ensure that declarations are made publicly available (except confidential data for personal and family safety reasons such as account numbers or personal identification numbers). The scheme will also establish proportionate sanctions for non-compliance (*end-June SB, proposed to be reformulated and reset to end-September 2024).*

- We are in discussions with several possible providers – including the Inter-American Development Bank (IDB) – concerning an electronic management program for the asset and income declaration (AID) scheme. We will liaise with the IMF to ensure that the system selected will help us deliver an AID scheme that is fit for purpose.

- We have ratified the Caribbean Community (CARICOM)'s Protocol on Public Procurement in July 2022. With support from the IDB, we will enact a new procurement *law (end-September 2023 SB, not met, expected to be implemented with delay in March)*, which will mandate the publication of beneficial ownership information of awarded procurement contracts.

- Based on the November 2022 assessment by the Caribbean Financial Action Task Force (CFATF), we enacted a new AML/CFT law in November 2022 to bring in line with international standards the key technical compliance deficiencies which placed Suriname on enhanced follow up. Going forward, we will work closely with donors and providers, including the IMF, United Nations Office on Drugs and Crime ('UNODC') and the World Bank to strengthen Suriname's anti-corruption and AML/CFT framework. To fully comply with CFATF requirements, we will: (i) implement

AML/CFT supervision for all financial institutions (credit union, insurance, and pension fund sectors); (ii) develop and implement risk-based supervisory framework for Designated Non-Financial Businesses and Professions (DNFBPs); (iii) make available adequate human, financial, and technological resources to the Financial Intelligence Unit (FIU); and (iv) amend the International Sanctions Framework to update the legal framework in relation to the implementation of the UN Security Council Resolutions Against Terrorism and Proliferation Financing. This includes ongoing efforts to amend the Money Transfer Offices Supervision Act, Capital Markets Act, and introducing Insurance Supervision Act and Electronic Payment Systems Act.

- Suriname also made the commitment to initiate the process for a second National Risk Assessment (2020–24). To this end Kroll AML Division has been contracted to advise and assist in the execution of this initiative. The Ministry of Economic Affairs already started the process for a sectoral assessment regarding Legal Persons including Ultimate Beneficial Ownership (UBOs) and Non-Profit Organizations (NPOs). In November 2022, the AML Steering Council (ASC) approved the AML Strategic Plan 2022–25. In March 2023, the ASC approved a list of High Prioritized Actions for 2023—Q2 2024, which is being rigorously implemented. The priority is for a follow up NRA to fill the gaps identified in the first NRA and provide more details on areas not addressed and to complete the second NRA by mid-2024. By presenting new draft legislation to National Assembly, the Ministry of Finance together with the Central Bank of Suriname are working towards strengthening the supervision regime for the financial sector. Also, the Ministry of Justice and Police has presented to the National Assembly draft legislation for strengthening the supervision regime for the gaming sector.

- To further strengthen the AML/CFT framework, in particular the implementation of a risk-based supervision framework and to comply with recommendation of the 4th MER, in April 2023 we began the Sectoral Risk Analysis (SRA) of the banking sector with technical assistance of OAS. The SRA is progressing, and the report is expected to be delivered in February 2024. SRAs of the exchange, money transfer, insurance and pension funds are expected to be finalized shortly thereafter. The SRA report will contribute to establishing targeted AML/CFT policies and the frequency and intensity of supervision of the banking sector. It would also elaborate on the methodology used to perform the risk analysis. The SRA findings will be reported to CFATF in 2024. A number of projects are underway to strengthen the AML/CFT regime: a new AML/CFT regulation is under discussion and will be issued shortly and, legislation (in line with FATF requirements is pending in the DNA), with the technical assistance offered by IMF and UNODC/WB.

30. We are committed to improving governance and transparency of the extractive sector. Suriname joined the Extractive Industry Transparency Initiative (EITI) in 2017 and has published reports for fiscal years 2016 and 2017. The reports for fiscal years 2018–20 were published in January 2023. The government intends to step up efforts to address the EITI recommendations including: (i) reforming the mining law to reduce room for discretion in investor incentives and strengthen the framework for mining titles; and (ii) legally compel companies in the extractive industry to disclose their beneficial owners. Work is underway on these measures.

IX. INCORPORATING CLIMATE CONSIDERATIONS IN MACROECONOMIC POLICIES

31. Suriname is vulnerable to climate change. Despite a low carbon footprint and being a carbon negative country, its dominant economic activity is located in the low-lying coastal area. Future climate-related events could disrupt economic activity and cause substantial long-term damage to the economy. Hence, preparedness for climate adaptation is warranted.

32. We are strengthening our institutional framework to enhance climate mitigation and adaptation procedures. We are establishing an environmental authority by transforming the National Institute for Environment and Development (NIMOS) which will have the legislative mandate to build safeguards against climate issues. The authority will have the power to assess (using the environmental impact assessment framework) any public and private capital projects undertaken in the country against any negative externalities arising from climate issues and provide mitigation measures. As a starting point, we have created a repository, Dondru, where information on climate change mitigation and adaptation can be easily assessed for national policy and planning. A strong collaboration between the MoFP and NIMOS is critical to ensure that climate issues are incorporated into Suriname's fiscal framework. We will publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries by September 2024.

33. We are exploring various climate finance options. Debt-for-nature swaps (DNS) could provide financing in exchange for financial commitments to conservation, where the proceeds of the instruments could be used to pay off more expensive commercial debt. We are also interested in selling carbon credits under the 2015 UN Paris Agreement scheme (known as internationally Transferable Mitigation Outcomes—ITMO). We will be seeking technical assistance from our development partners to assess potential benefits and challenges, including as potential guarantors for DNS and identify possible conservation projects as climate protection pledges. For carbon credits, we will begin to approach potential buyers—countries and private institutions.

X. STATISTICS

34. We are committed to improving the quality and dissemination of economic data, supported by IMF technical assistance. We have made important progress in this aspect, and we continue to recognize that timeliness of data availability (such as the long lag of publication of annual GDP and the lack of quarterly GDP statistics) remains an issue. To improve capacity of the General Bureau of Statistic, we have increased their budget which allows them to hire additional qualify staffs and recently, the council of ministers have approved a salary increase for their staff. We are also making efforts to improve data quality, especially for the Consumer Price Index (CPI), fiscal sector statistics and public debt data. We will also take steps to publish detailed monthly CPI data including all its subcomponents and data that accurately reports all domestic arrears on a monthly basis. In addition, we will work towards broadening the institutional coverage of fiscal statistics to the public sector to better assess fiscal risks. We will seek technical assistance from our international partners to support our efforts to improve the quality of economic data and statistics.

XI. PROGRAM MONITORING

35. Our economic plan will continue to be monitored through reviews, quantitative and continuous performance criteria, indicative targets, and structural benchmarks. The quantitative performance criteria are presented in Table 1, standard non-quantitative continuous targets are presented para 34 of the Technical Memorandum of Understanding (TMU) and the structural benchmarks under the program are presented in Table 2. Program quantitative targets are defined in the attached TMU.

Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/

(In millions of Suriname dollars, unless otherwise indicated)

	2020	2021				2022											
		end-Dec				end-Jan.				end-Feb.				end-Mar.			
	Act.	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																	
Fiscal/debt targets																	
1. Primary fiscal balance (cash basis) of central government (floor) 2/	-2,321	-719	334	3,007	Met	110	159	135	Not Met	221	-110	14	Met	331	-3	161	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																	
5. Gross credit to the central government by the central bank (continuous ceiling) 3/	10,229	0		0	Met	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/4/	-154	348	310	319	Met	11	-2	5	Met	103	2	16	Met	114	30	19	Not Met
7. Net domestic assets of the central bank (ceiling) 2/4/	8,777	-343	161	203	Not Met	-6	180	-6	Met	-1,134	272	113	Met	-1,137	39	-118	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)		0		0	Met	0		0	Met	0		0	Met	0		0	Met
Indicative Targets																	
1. Social spending of central government (floor) 2/	604	1,070		922	Not Met									371		269	Not Met
2. Stock of VAT refunds outstanding (ceiling)																	
Memorandum items																	
Reserve money	12,817	18,294		18,967		18,629		18,950		19,061		19,180		19,597		18,881	
Reserve money (local currency portion only)	7,342	9,188		9,271		9,341		9,338		9,494		9,570		9,647		9,289	
Reserve money (constant exchange rates)	12,817	14,838		15,933		14,991		15,893		15,144		16,209		15,297		15,847	
NFA (constant exchange rates)	4,039	6,403		6,953		6,563		6,920		7,844		7,117		8,000		7,020	
Gross international reserves (millions of U.S. dollar)	585	968		992		979		986		1,071		848		1,139		899	
Usable international reserves (millions of U.S. dollar) 5/	129	501		512		513		505		604		518		673		566	
Program exchange rate	14.018	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Apr.				end-May.				end Jun.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	442	166	-111	Not Met	552	300	8	Not Met	663	707	660	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	118	49	13	Not Met	122	104	92	Not Met	156	150	156	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,040	-67	134	Not Met	-941	-691	-246	Not Met	-1,263	-1,188	-591	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									742		832	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	21,223		19,110		21,856		20,025		22,390		20,280	
Reserve money (local currency portion only)	9,801		9,516		9,954		9,860		10,107		10,411	
Reserve money (constant exchange rates)	16,306		16,136		16,459		16,676		16,612		16,879	
NFA (constant exchange rates)	8,220		7,022		8,277		7,943		8,739		8,490	
Gross international reserves (millions of U.S. dollar)	1,000		886		1,004		951		1,094		983	
Usable international reserves (millions of U.S. dollar) 5/	674		558		678		620		768		656	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Jul.				end-Aug.				end Sep.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	773	1,005	311	Not Met	884	946	346	Not Met	994	1,218	345	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	158	159	169	Met	160	168	192	Met	192	169	193	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,142	-1,161	-91	Not Met	-1,016	-1,124	-77	Not Met	-1,316	-986	-14	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,112		1,315	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	22,912		21,413		23,444		22,654		23,858		23,723	
Reserve money (local currency portion only)	10,260		11,098		10,413		11,359		10,566		11,450	
Reserve money (constant exchange rates)	16,765		17,587		16,918		18,084		17,071		18,424	
NFA (constant exchange rates)	8,778		8,698		8,811		9,182		9,253		9,458	
Gross international reserves (millions of U.S. dollar)	1,097		991		1,099		1,018		1,187		1,029	
Usable international reserves (millions of U.S. dollar) 5/	771		667		773		698		862		713	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2022											
	end-Oct.				end-Nov.				end-Dec.			
	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,105	1,788	657	Not Met	1,215	2,111	1,174	Not Met	1,326	2,625	1,150	Not Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.	0		0	Met	0		0	Met	0		0.02	Not Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	194	169	204	Met	196	150	179	Met	226	313	332	Met
7. Net domestic assets of the central bank (ceiling) 2/	-1,193	-845	-111	Not Met	-1,063	-425	435	Not Met	-1,332	-2,548	-1,080	Not Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
Indicative Targets												
1. Social spending of central government (floor) 2/									1,483		1,717	Met
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	24,277		25,205		24,660		26,514		25,047		27,470	
Reserve money (local currency portion only)	10,718		11,507		10,871		11,632		11,024		12,263	
Reserve money (constant exchange rates)	17,224		18,583		17,377		18,710		17,529		19,414	
NFA (constant exchange rates)	9,289		9,714		9,316		9,296		9,478		11,514	
Gross international reserves (millions of U.S. dollar)	1,190		1,045		1,192		1,031		1,260		1,194	
Usable international reserves (millions of U.S. dollar) 5/	864		716		866		707		934		865	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated

	2023											
	end-Jun.				end-Jul.				end-Aug.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,147	1,571	2,020	Met	1,338	1,693	2,188	Met	1,529	1,826	1,862	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		4	Not Met	0		0	Met	0		0	Met
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-57	-38	-31	Met	-55	-32	-26	Met	-54	-28	-28	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,602	3,334	2,376	Met	4,006	3,683	3,843	Not Met	4,397	4,030	2,776	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/					5		7	Not Met	10		11	Not Met
Indicative Targets												
1. Social spending of central government (floor) 2/	1,981		1,058	Not Met								
2. Stock of VAT refunds outstanding (ceiling)												
Memorandum items												
Reserve money	33,964		27,590		35,102		29,378		36,147		27,225	
Reserve money (local currency portion only)	14,249		14,064		14,642		15,602		14,998		14,438	
Reserve money (constant exchange rates)	21,461		19,448		21,896		20,914		22,294		19,457	
NFA (constant exchange rates)	9,959		9,172		9,990		9,170		9,997		8,781	
Gross international reserves (millions of U.S. dollar)	1,153		1,091		1,155		1,096		1,156		1,062	
Usable international reserves (millions of U.S. dollar) 5/	835		853		837		857		838		825	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated)

	2023															
	end-Sep.				end-Oct.				end-Nov.				end-Dec.			
	PC	Adj. PC	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	IT	Adj. IT	Act.	Met/Not met	PC	Adj. PC	Act.	Met/Not met
Quantitative Performance Criteria																
Fiscal/debt targets																
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,721	1,790	1,784	Not Met	1,912	1,550	2,172	Met	2,103	1,306	2,217	Met	2,294	637	2,148	Met
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
3. New central government guaranteed debt (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
Monetary targets																
5. Gross credit to the central government by the central bank (continuous ceiling)	0		0	Met	0	0	-1,042.3	Met	0	0	-1,042	Met	0	0	-1,661.8	Met
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-53	-39	-21	Met	-57	-39	5	Met	-73	-61	-7	Met	-6	22	152	Met
7. Net domestic assets of the central bank (ceiling) 2/	3,892	3,703	2,448	Met	4,214	3,967	2,995	Met	4,722	4,554	3,743	Met	4,121	3,733	1,986	Met
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0		0	Met	0		0	Met	0		0	Met	0		0	Met
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	15		14	Met	20		15	Met	25		18	Met	30		20	Met
Indicative Targets																
1. Social spending of central government (floor) 2/	2,971		1,915	Not Met									3,962		3,077	Not Met
2. Stock of VAT refunds outstanding (ceiling)																
Memorandum items																
Reserve money	29,440		26,720		30,049		27,660		30,670		28,647		31,374		28,816	
Reserve money (local currency portion only)	15,320		14,208		15,573		15,111		15,831		15,621		16,162		16,566	
Reserve money (constant exchange rates)	20,589		19,167		20,857		20,001		21,130		20,708		21,477		21,459	
NFA (constant exchange rates)	8,797		8,819		8,742		9,220		8,507		9,227		9,455		11,071	
Gross international reserves (millions of U.S. dollar)	1,132		1,107		1,128		1,142		1,112		1,143		1,234		1,346	
Usable international reserves (millions of U.S. dollar) 5/	893		873		889		908		873		908		995		1,112	
Program exchange rate	14.018		14.018		14.018		14.018		14.018		14.018		14.018		14.018	

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (continued)

(In millions of Suriname dollars, unless otherwise indicated

	2024						
	end-Jan.				end-Feb.	end-Mar.	
	IT	Adj. IT	Act.	Met/Not met	IT	PC	Prop PC
Quantitative Performance Criteria							
Fiscal/debt targets							
1. Primary fiscal balance (cash basis) of central government (floor) 2/	384		TBD	TBD	769	1,153	
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0		TBD	TBD	0	0	
3. New central government guaranteed debt (continuous ceiling)	0		TBD	TBD	0	0	
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S. dollars)	0		TBD	TBD	0	0	
Monetary targets							
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	-1,662	Met	0	0	
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-7	-10	-14	Not Met	-25	-37	-65
7. Net domestic assets of the central bank (ceiling) 2/	454	494	378	Met	1,041	1,495	1,423
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling)	0	0	0	Met	0	0	
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	3	3	3	Met	7	15	
Indicative Targets							
1. Social spending of central government (floor) 2/						1,308	1,308
2. Stock of VAT refunds outstanding (ceiling)							
Memorandum items							
Reserve money	28,866		29,074		29,300	29,699	29,273
Reserve money (local currency portion only)	15,978		16,841		16,298	16,582	17,059
Reserve money (constant exchange rates)	20,761		21,837		21,085	21,373	21,962
NFA (constant exchange rates)	9,112		11,572		8,849	8,682	10,151
Gross international reserves (millions of U.S. dollar)	1,188		1,328		1,169	1,225	1,329
Usable international reserves (millions of U.S. dollar) 5/	955		1,093		936	991	1,095
Program exchange rate	14.018		14.018		14.018	14.018	14.018

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Table 1. Suriname: Quantitative Performance Criteria and Indicative Targets Under the EFF 1/ (concluded)

(In millions of Suriname dollars, unless otherwise indicated)

	2024											
	end-Apr.	end-May.	end-Jun.		end-Jul.	end Aug.	end Sep.		end Oct.	end Nov.	end Dec.	
	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC	IT	IT	PC	Prop PC
Quantitative Performance Criteria												
Fiscal/debt targets												
1. Primary fiscal balance (cash basis) of central government (floor) 2/	1,538	1,922	2,307		2,691	3,076	4,705		3,844	4,229	4,613	
2. New natural resource revenue-collateralized debt contracted by or on behalf of the central government and/or SOEs (continuous ceiling) (U.S. dollars)	0	0	0		0	0	0		0	0	0	
3. New central government guaranteed debt (continuous ceiling)	0	0	0		0	0	0		0	0	0	
4. Non-accumulation of central government external debt arrears (continuous ceiling) (millions of U.S.	0	0	0		0	0	0		0	0	0	
Monetary targets												
5. Gross credit to the central government by the central bank (continuous ceiling)	0	0	0		0	0	0		0	0	0	
6. Net international reserves of the central bank (floor) (millions of U.S. dollar) 2/	-29	-15	0	-62	-49	-46	-39	-21	-31	-52	-1	-43
7. Net domestic assets of the central bank (ceiling) 2/	1,066	1,023	1,621	1,854	1,816	1,933	2,645	1,711	1,949	2,309	3,730	2,232
8. Direct purchases/sales of FX by the central bank and/or central government from/to SOEs and private sector (millions USD) (continuous ceiling) 6/	0	0	0		0	0	0		0	0	0	
9. Central government mineral revenue in local currency (ceiling) (millions of U.S. dollar) 2/	17	20	30		30	30	30		30	30	30	
Indicative Targets												
1. Social spending of central government (floor) 2/			2,617	2,617			4,033	3,785			5,122	5,122
2. Stock of VAT refunds outstanding (ceiling)	909			722				443				163
Memorandum items												
Reserve money	29,526	29,790	30,685	30,067	30,324	30,589	31,512	30,824	31,024	31,195	32,310	31,348
Reserve money (local currency portion only)	17,202	17,356	17,217	17,524	17,671	17,826	17,684	17,950	18,039	18,100	18,112	18,142
Reserve money (constant exchange rates)	22,110	22,268	22,018	22,439	22,591	22,750	22,495	22,878	22,971	23,036	22,933	23,082
NFA (constant exchange rates)	10,656	10,857	9,201	10,197	10,387	10,428	8,655	10,779	10,635	10,339	9,186	10,462
Gross international reserves (millions of U.S. dollar)	1,365	1,380	1,329	1,400	1,414	1,417	1,358	1,509	1,499	1,478	1,463	1,554
Usable international reserves (millions of U.S. dollar) 5/	1,131	1,146	1,096	1,166	1,179	1,183	1,124	1,275	1,265	1,244	1,229	1,320
Program exchange rate	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018	14.018

Source: Authorities and IMF staff calculations and projections.

1/ Targets as defined in the Technical Memorandum of Understanding.

2/ Cumulative flows from begining of the year.

3/ The 2020 figure is a stock as of end-June 2021.

4/ The 2020 figure is a stock as of end-December 2020.

5/ Official reserve assets excluding the PBOC swap and ring-fenced reserves.

6/ Non-observance for the month February 2023

Table 2. Suriname: Structural Benchmarks Under the EFF

Measure	MEFP ¶	Target date 1/	Status	Objective
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v) introduce strict limits on monetary financing (with transitional rules).		January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters..	20	September 2023	Not met; implemented with delay in [March]	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	25	June 2024		Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	25	June 2024	Proposed to be reset to September 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	28	March 2024	Proposed to be reset to April 2024	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.	27	December 2023	Not met	Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.
CBvS's Executive Board are fully constituted in line with the new CBvS act	26	March 2024	New proposed SB	Strengthen governance, accountability and transparency of the Central Bank

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Measure		Target date	Status	Objective
Financial sector/crisis preparedness				
Undertake full asset quality review for the two largest (by assets size) banks (drawing on the expertise of an internationally reputable specialist firm).		September 2022	Met	Diagnose the largest banks and potential recapitalization needs.
Submit to the State Council the Credit Institutions Resolution Act to increase CBvS' powers and tools for early intervention, recovery, and resolution of financial institutions.		January 2022	Not met; 'Implemented with delay in February 2023	Strengthen the CBvS's role in crisis management.
Submit the revised Banking and Credit Supervision Act to the State Council to facilitate risk-based supervision through expanding CBvS' assessment powers to determine bank compliance with regulatory requirements.		January 2022	Not met; 'Implemented with delay in February 2023	Solidify oversight over the financial sector.
Operationalize the Financial Stability Committee, composed of representatives from the MoF and CBvS.		January 2022	Not met; 'Implemented with a delay in April 2022	Improve coordination on financial sector issues.
Operationalize a Bank Resolution Unit within the CBvS with appropriate governance arrangements, staffing, funding and clear internal guidelines on how the unit would undertake crisis management and enforcement actions.		February 2022	Not met; 'Implemented with a delay in April 2022	Strengthen the CBvS's role in crisis management.
Undertake full asset quality review for the remaining banks (drawing on the expertise of an internationally reputable specialist firm).		December 2022	Not met; 'Implemented with a delay in May 2023	Diagnose the financial sector and potential recapitalization needs.
CBvS and MoF agree on a governance framework for state-owned banks.	23	December 2023	Not met; implemented with delay in [February]	Improve governance of state-owned banks.
CBvS to instruct the banks to incorporate the AQR results and review the recapitalization plans submitted by the banks to verify their credibility	22	October 2023	Not met; implemented with delay in December	Improve strength of the financial sector.
CBvS, in consultation with IMF, to set common equity tier one and capital adequacy ratio targets for banks and outline the corrective measures it would escalate if CET1/CAR targets are breached	22	March 2024	New proposed SB	Improve strength of the financial sector.

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Table 2. Suriname: Structural Benchmarks Under the EFF (continued)

Measure		Target date	Status	Objective
Fiscal and Debt				
Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).		January 2022	Met	Improve governance and increase transparency.
Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.		January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.
Publish the financial assessment of EBS that includes its legacy liabilities.		May 2022	Met	Achieve full cost recovery in the electricity sector.
Commence an audit on outstanding supplier arrears.		April 2022	Met: audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.
Passage of laws needed to implement the VAT by the National Assembly.		March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.
Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.		March 2022	Not Met; Implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.
Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.		June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.
Create a large taxpayer unit to increase taxpayer compliance.		June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.
Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.	12	December 2023	Not met	Strengthen social spending.
Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.		June 2023	Met	Improve fiscal data reporting.
Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption	7	July 2023	Not Met; imlemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.
Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.	7	October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detail procedures) to halt payments of salaries for unregistered workers.	7	October 2023	Not Met; implemented with delay in November 2023	Strenthen PFM and ensure fiscal adjustment in line with program parameters.
Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks	8	March 2024		Strengthen PFM.
Publish quarterly budget execution report starting with the end June 2023 budget outturns.	8	September 2023	Met	Strengthen PFM.
Publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries.	8	September 2024	Proposed to be removed	Climate adaptation to contain fiscal risks.
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments	8	January 2024	Met	Improve debt management and reporting, and avoid external debt arrears.
Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each program.	14	January 2024	Met	Improve governance and increase transparency.
Publish a report of the largest state-owned enterprises to quantify the principal fiscal risks faced by these enterprises	8	June 2024	Proposed to be removed	Strengthen PFM.
Mandate that all tax declarations and transactions use a Fiscal Identification Number.	8	June 2024	New proposed SB	Improve tax administration.
Implement a pilot Treasury Single Account for a limited set of ministries.	8	January 2025	New proposed SB	Strengthen PFM.
The Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance.	8	Continuous	New proposed SB	Strengthen PFM and avoid new expenditure arrears.
Fully repay domestic debt arrears.		March 2024	New proposed SB	Improve debt management and financial stability
Issue a resolution to clarify that government will not be responsible for contracts agreed with line ministries that have no prior authorization from the MoF.		April 2024	New proposed SB	Strengthen PFM and avoid new expenditure arrears.
Mandate all line ministries to report the stock of arrears to the MoF monthly.		June 2024	New proposed SB	Improve debt management and financial stability

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Table 2. Suriname: Structural Benchmarks Under the EFF (concluded)

Measure		Target date	Status	Objective
Governance (anti-corruption)				
Ratify the United Nations Convention Against Corruption (UNCAC).		January 2022	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Issue an Implementation Act to amend the Anti-Corruption legal framework to ensure criminalization of all corruption acts (in line the with the requirements of the UNCAC) and to strengthen the income and asset declaration provisions in the Anti-Corruption law to support routine verification of income and asset declarations for high-level and high-risk public officials, provide this information to the public and establish proportionate sanctions for non-compliance.		June 2022	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Operationalize the Anti-Corruption Commission (as required by the 2017 Anti-Corruption Act) and adopt an operational framework for its implementation, in line with the UNCAC.		March 2022	Not Met; implemented with a delay in May 2023	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to reflect: i) adoption of legislation and or other measures as may be necessary to establish as criminal offences the relevant Articles contained in Chapter III of the UNCAC; and ii) enactment of legislation which creates a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	29	June 2024	Proposed to be reformulated and reset as two SBs below	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	29	June 2024	New proposed SB	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to creates a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	29	September 2024	New proposed SB	Reduce vulnerabilities to corruption and promote investment and growth.
Governance (procurement)				
Enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and the ex-post validation of delivery of the contracted services	29	September 2023	Not Met	Strengthen procurement efficiency.
Governance (AML/CFT)				
Amend the AML/CFT law legislation and other relevant laws and regulations to bring them into line with the FATF international AML/CFT standards (including with respect to the treatment of politically-exposed persons and beneficial ownership requirements).	29	August 2022	Not Met; implemented with a delay in November 2022	Mitigate the adverse effects of criminal economic activity and promote integrity in financial markets.

Source: IMF staff.

Concluded

1/ The target dates for all structural benchmarks are the end of the month.

Attachment II. Technical Memorandum of Understanding

This Technical Memorandum of Understanding (TMU) sets out the understanding between the Surinamese authorities and the IMF staff regarding the definition of quantitative performance criteria (QPC) and indicative targets (IT). It also sets out the QPC and IT adjusters and data reporting requirements for the duration of the Arrangement under the Extended Fund Facility (EFF), as described in the authorities' Letter of Intent (LOI) dated December 15, 2023, and Memorandum of Economic and Financial Policies (MEFP). This TMU describes the methods to be used in assessing the program performance and the information requirements to ensure adequate monitoring of the targets. As is standard under all Fund arrangements, we will consult with the Fund before modifying measures in the LOI/MEFP or adopting new measures that would deviate from the program goals. We are also committed to providing Fund staff with the necessary information for program monitoring.

1. The QPC and IT are shown in Table 1 of the MEFP. Prior actions and structural benchmarks are listed in Table 2 of the MEFP.

2. For program purposes, unless otherwise specified, all foreign currency-related assets, liabilities, and flows will be evaluated at "program accounting exchange rates" as defined below, except for items affecting government fiscal balances, which will be measured at current exchange rates. Unless otherwise indicated, U.S. dollar denominated components of the balance sheet of the Central Bank of Suriname (CBvS) will be valued at the official exchange rate of the Surinamese dollar to the U.S. dollar of 14.0180 set by the CBvS as of December 31, 2020. Amounts denominated in other currencies will be converted for program purposes into U.S. dollar amounts using the following cross-rates as of December 31, 2020: the Euro valued at 1.2281 U.S. dollars, Pound Sterling valued at 1.3600 U.S. dollars, the Chinese Yuan valued at 0.1532 U.S. dollars, the Special Drawing Right (SDR) valued at 1.4403 U.S. dollars. Official gold holdings were valued at 1,892.0 U.S. dollars per fine ounce.

I. QUANTITATIVE PERFORMANCE CRITERIA: DEFINITION OF VARIABLES

3. Definition of central government: The central government (CG), for the purposes of the program, consists of the set of institutions and government units currently covered under the state budget. Newly formed public sector entities will be examined and included within the CG perimeter if adjudged to meet the definition of a CG unit per the Government Finance Statistics Manual 2014.

4. Definition of State-Owned Enterprises (SOE): State-Owned Enterprises (SOE), for the purposes of the program, consists of the set of corporations that i) the CG is a shareholder or ii) are controlled by the CG directly or indirectly through other government-controlled entities. The control by the CG can be established through legislation or equity participation.

5. Definition of debt. External debt is determined according to the residency criterion (and, as such, would encompass nonresident holdings of Suriname law local currency and foreign currency debt). The term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take several forms; the primary ones being as follows:

i. loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

ii. suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

iii. leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of these guidelines, the debt is the PV (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

6. Under the definition of debt set out in previous paragraph, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

7. For program purposes, a debt is considered contracted when all conditions for its entrance into effect have been met, including approval by the National Assembly. Contracting of credit lines with no predetermined disbursement schedules or with multiple disbursements will be also considered as contracting of debt.

8. The fiscal year is the calendar year, starting on January 1 and ending on December 31.

A. Primary Fiscal Balance (Cash Basis) of Central Government (Floor)

9. Definitions: The primary fiscal balance (cash basis) of the CG is calculated as the cumulative CG interest payments minus total net borrowing requirements from the beginning of the year. Net borrowing requirements (NBR) are measured at official (current) exchange rates and are defined as the sum of:

i. The change in net CBvS credit to the CG, including changes in the government deposit position at the CBvS and excludes any accrued interest;

ii. The change in net credit from depository corporations, which includes changes in CG deposits and the net issuance of treasury bills, lending, and other CG securities held by commercial banks and excludes any accrued interest;

iii. The change in net non-bank credit to the CG, which includes net issuance of Treasury bills and other CG securities to non-banks, and other CG claims and debts vis-à-vis nonbank institutions and excludes any accrued interest;

iv. New external loan disbursements net of external loan amortization including repayment of external arrears;

v. Net sale of government assets (financial including privatization receipts).

Table 1. Suriname: Total Mineral Revenues of CG

	(In SRD millions)
Cumulative flows from the beginning of the fiscal year	
End-June 2023	8,396
End-July 2023	9,796
End-August 2023	11,195
End-September 2023	11,257
End-October 2023	12,508
End-November 2023	13,759
End-December 2023	15,010
End-January 2024	1,409
End-February 2024	2,818
End-March 2024	4,227
End-April 2024	5,499
End-May 2024	6,874
End-June 2024	8,248
End-July 2024	9,623
End-August 2024	10,998
End-September 2024	12,373
End-October 2024	13,747
End-November 2024	15,122
End-December 2024	16,497

10. Definition: CG Interest payments are defined on a cash basis as interest paid on CG domestic and external debt obligations.

Definition: Mineral revenue is defined as the government's tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue (Table 1).

The QPC for the fiscal balance is calculated based on the projected official exchange rate. Reporting (and adjustments, as defined below) will be made using the current official exchange rate.

11. Reporting: Fiscal data will be provided to the Fund with a lag of no more than six weeks after the end of the month.

12. Adjusters: The floor on the cumulative primary cash balance of the CG will be adjusted:

1. downward (upward) to the full extent that cumulative project loans are more (less) than project loans given in Table 2.

2. upward to the extent of any rise in mineral revenue above the cumulative baseline projections given in Table 1.

B. New Natural Resource Revenue-Collateralized Debt Contracted by or on Behalf of the Central Government and/or State-Owned Enterprises (SOE) (Continuous Ceiling)

13. Definition: The ceiling on new natural resource revenue-collateralized debt (domestic and external) contracted on a gross basis by or on behalf of the CG and/or SOEs will be a continuous performance criterion throughout the program period. Natural resource revenue-collateralized debt is external or domestic debt, which involves creating a security interest, charge or lien over any natural resource, natural resource receivables, or the proceeds from the sale or lease of natural resources. The use of a

Table 2. Suriname: Budget and Project Financing in FX (Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
External loans from IFIs for budget financing 1/	
End-June 2023	0
End-July 2023	0
End-August 2023	0
End-September 2023	0
End-October 2023	0
End-November 2023	0
End-December 2023	150
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	175
External debt from bilateral and private creditors for budget financing 2/	
End-June 2023	0
End-July 2023	0
End-August 2023	0
End-September 2023	0
End-October 2023	0
End-November 2023	0
End-December 2023	0
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	0
External loans for project financing	
End-June 2023	36
End-July 2023	42
End-August 2023	48
End-September 2023	54
End-October 2023	59
End-November 2023	65
End-December 2023	71
End-January 2024	4
End-February 2024	9
End-March 2024	13
End-April 2024	18
End-May 2024	22
End-June 2024	27
End-July 2024	31
End-August 2024	37
End-September 2024	43
End-October 2024	64
End-November 2024	81
End-December 2024	108

1/ Excluding IMF disbursements.
2/ Including international capital markets.

collection account (e.g., for natural resources receivables or the proceeds of the sale of natural resources) where no charge or lien is created over such account is excluded from this definition. External debt contracted due to external debt restructuring, to be agreed between the authorities and its creditors, is excluded from this definition. The ceiling also applies to prefinancing arrangements (where debt is contracted against future sales of natural resources). The official exchange rate will apply to all non-SRD denominated debt.

14. Reporting: Data will be provided to the IMF on a continuous basis. This would include any new debt contracts that are entered into by the CG and/or SOEs to verify they do not include a security interest, charge, or lien over any natural resource.

C. New Central Government Guaranteed Debt (Continuous Ceiling)

15. Definition: The ceiling on new CG guaranteed debt (domestic and external) will apply to the amount of guarantees issued by the CG for debt contracted by any agency or entity outside the CG. For program purposes, the guarantee of a debt arises from any explicit legal or contractual obligation of CG to service a debt owed by a debtor outside the CG (involving payments in cash or in kind). The official exchange rate will apply to all non-SRD denominated debt.

16. Reporting: Data will be provided to the IMF on a continuous basis.

D. Non-Accumulation of Central Government External Debt Arrears (Continuous Ceiling)

17. Definition: The non-accumulation of arrears by the CG on contractual debt obligations owed to non-resident creditors will be a continuous performance criterion throughout the program period. External payments arrears for program monitoring purposes are defined as external debt obligations of the CG, which either have not been paid within 30 days after the contractual due date, or within the contractual grace period, whichever is longer. Arrears resulting from the nonpayment of debt service, for which a rescheduling or restructuring agreement is being sought, based on good faith negotiations, are excluded from this definition.

18. The stock of external arrears of the CG will be calculated based on the schedule of external payment obligations reported by the Ministry of Finance and Planning (MoFP). Data on external arrears will be reconciled with the relevant creditors, and any necessary adjustments will be incorporated as they occur.

19. Reporting: Data will be provided to the IMF on a continuous basis.

E. Gross Credit to Central Government by the CBvS (Continuous Ceiling)

20. Definitions: The ceiling that applies on the change in gross credit provided to the CG by CBvS (including any provision of overdrafts) will be a continuous performance criterion throughout the program period and will be measured from end-June 2021 for 2021 and from beginning of the year for 2022. Coins and notes issued by the MoFP and claims on IMF related to the valuation of IMF account no 1 and 2 are excluded from the definition. The stock of gross credit will be valued at fair value and at program exchange rates. Changes in the stock of the COVID-19 Fund approved by Parliament in 2020 would constitute gross credit from the CBvS to the CG. Rolling over CG principal and interest payments due to the CBvS does not constitute gross credit.

21. **Reporting**: Data will be provided to the IMF on a continuous basis.

F. Net International Reserves of the CBvS (Floor)

22. **Definitions**: The floor applies to cumulative flows from the beginning of the year (end-December level of NIR of the previous year). For program monitoring purposes, net international reserves (NIR) of the CBvS are defined as the U.S. dollar value of the difference between reserve assets and reserve liabilities, as defined in what follows.

- **Reserve assets** are readily available claims on nonresidents denominated in foreign convertible currencies. They include: (i) foreign exchange (foreign currency cash, deposits with foreign correspondents, holdings of foreign securities), (ii) monetary gold, (iii) IMF reserve position, and (iv) SDR holdings. Excluded from foreign assets are any assets that are pledged, collateralized, or otherwise encumbered (e.g., pledged as collateral for foreign loans or through forward contracts; ring-fenced reserves from domestic banks' foreign reserve requirements), CBvS claims on resident banks and nonbanks, claims in foreign exchange arising from derivatives in foreign currencies vis-à-vis domestic currency (such as futures, forwards, swaps, and options), precious metals other than monetary gold, assets in nonconvertible currencies, illiquid swaps, and any reserve assets that are not readily available for intervention in the foreign exchange market.

- **Reserve liabilities** are defined as: (i) all short-term foreign liabilities of the CBvS vis-à-vis nonresidents denominated in convertible foreign currencies with an original maturity of one year or less; (ii) all outstanding credit from the IMF resulting from purchases; (iii) the nominal value of all derivative positions (including swaps, options, forwards, and futures) of the CBvS, implying the sale of foreign currency or other reserve assets; and (iv) all foreign exchange liabilities of the CBvS to resident entities (e.g., claims in foreign exchange of domestic

Table 3. Suriname: International Reserves
(USD million, unless otherwise specified)

	31-Dec-20
Reserve assets	**128.9**
IMF reserve position	2.8
IMF SDR	1.1
Foreign currency cash and deposits with foreign banks	125.0
Reserve liabilities	**283.1**
IMF program disbursements outstanding	20.9
Other liabilities with non-residents	0.1
Liabilities with residents	262.2
Reserve Requirements (non-ringfenced)	5.6
Reserve Requirements (the ring-fenced sovereign bond)	10.3
Working balance accounts of commercial banks	69.0
Long-term loan to commercial banks	177.3
Other	0.0
Net international reserves	**-154.3**

Source: Central Bank of Suriname.

banks, non-ring-fenced reserve requirements of domestic banks on their foreign currency deposits, reserve requirements of domestic banks on their foreign currency deposits that are ring-fenced in Suriname's sovereign bond in the amount of USD 10.283 million, and CBvS credits in foreign exchange from the domestic market) excluding foreign exchange liabilities to the CG.

23. **Reporting**: Data on foreign reserves and the foreign exchange cash flow will be provided by the CBvS to the Fund once a week. Data on the statistics indicated in Table 3 will be provided to the Fund on a monthly basis, in both official and program exchange rates, with a lag of no more than two weeks after the end of the month. At each program test date, the quarterly data on net international reserves submitted by the CBvS to the IMF will be audited by the CBvS external auditors in accordance with International Standards on Auditing, to ensure conformity with the program definition and calculation methods. Reports from the external auditors should be submitted to the CBvS, with a copy to the IMF, no later than 60 days after each test date. Data on total foreign exchange mineral revenue will be provided by the government to the IMF on a weekly basis. Inflows of the government's foreign exchange mineral revenue to the CBvS will be monitored as part of the weekly reporting of CBvS purchases and sales of foreign currency.

24. **Adjusters**: NIR targets will be adjusted:

1. upward (downward) by the full amount of the cumulative surplus (shortfall) in program loan disbursements from IFIs relative to the baseline projections reported in Table 2. Program loan disbursements are defined as external loan disbursements from official creditors that are usable for the financing of the CG.

Table 4. Suriname: Total FX Mineral Revenue received by the Government and Other FX Revenues of CG Transferred to CBvS (Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	46
End-July 2023	67
End-August 2023	89
End-September 2023	117
End-October 2023	135
End-November 2023	153
End-December 2023	170
End-January 2024	19
End-February 2024	38
End-March 2024	68
End-April 2024	99
End-May 2024	122
End-June 2024	134
End-July 2024	168
End-August 2024	188
End-September 2024	216
End-October 2024	234
End-November 2024	253
End-December 2024	265

2. upward (downward) by the full amount of the cumulative surplus (shortfall) in loans from official bilateral and private creditors (including international capital markets) relative to the baseline projections reported in Table 2.

3. Upward (downward) by the full amount of the cumulative surplus (shortfall) in the sum of the government's total mineral and other revenues received in foreign exchange that are transferred to the CG account at the CBvS, with the exemption of pending transfers of these funds to the foreign bank account of the CBvS, relative to baseline projections reported in Table 4. Mineral revenue in FX is defined as the government's FX tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue. Other FX revenues of the CG are defined as any revenues in foreign exchange other than mineral revenue as defined above.

4. downward (upward) by the full amount of the cumulative surplus (shortfall) in CG and CBvS's debt service payments in foreign exchange relative to baseline projections reported in Table 5.

5. downward by the amount of FX sales by the CBvS insofar as these sales occur via competitive auctions in response to the intraday depreciation in the exchange rate versus the U.S. dollar that is more than 2 percent and are less than USD 2 million per day. This adjustor is capped at USD 20 million per quarter.

Table 5. Suriname: FX Debt Service Payments by the Central Government and CBvS (Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	76
End-July 2023	92
End-August 2023	112
End-September 2023	121
End-October 2023	136
End-November 2023	163
End-December 2023	204
End-January 2024	21
End-February 2024	54
End-March 2024	112
End-April 2024	125
End-May 2024	152
End-June 2024	210
End-July 2024	237
End-August 2024	257
End-September 2024	265
End-October 2024	281
End-November 2024	310
End-December 2024	333

G. Net Domestic Assets of the CBvS

25. Definitions: The ceiling applies to cumulative flows from the beginning of the year. The CBvS' net domestic assets (NDA) are defined as the difference between reserve money (as defined below) and net foreign assets (NFA, as defined below). Items in foreign currencies will be valued at fair value and at program exchange rates. Thus defined, the stock of NDA amounted to SRD 8,777.1 million as of December 31, 2020 (Table 6).

- **Reserve money at program exchange rates** is defined as currency in circulation, commercial banks' deposits in correspondent accounts at the CBvS, and statutory cash reserve requirements against prescribed liabilities in SRDs and foreign currency held by commercial banks at the CBvS, other commercial banks' deposits at the CBvS in national and foreign currency, other demand deposits in national and foreign currency, and gold certificates (Table 6). Central bank certificates issued to retail investors as part of its open market operations to absorb liquidity are excluded from reserve money. Reserve money excludes balances in deposit auctions and commercial banks' term deposits at the CBvS. The definition is consistent with the measure of reserve money published on the CBvS' website. As of December 31, 2020, reserve money amounted to SRD 12,816.6 million.

Table 6. Suriname: NFA, NDA, and Reserve Money
(In SRD millions)

	31-Dec-20
Net foreign assets	4,039.5
Foreign assets	8,243.5
Foreign liabilities	-4,204.0
Net domestic assets	8,777.1
Net claims on the government	8,234.0
Claims on the government in local currency	9,833.7
Liabilities to the government in local currency	-446.8
Claims on the government in foreign currency	144.1
Liabilities to government in foreign currency	-1,297.0
Net claims on commercial banks	-2,495.6
Claims on commercial banks in local currency	2.2
Liabilities to commercial banks in local currency	-200.0
Claims on commercial banks in foreign currency	187.0
Liabilities to commercial banks in foreign currency	-2,484.7
Other items net	3,038.7
Reserve money	12,816.6
Reserve money in local currency	7,342.2
Reserve money in foreign currency	5,474.4
Memorandum item	
Program exchange rate	14.018

Source: Central Bank of Suriname.

- **The value of NFA at program exchange rates** is calculated as the difference between foreign assets and foreign liabilities, defined as follows:

- **Foreign assets** are claims on nonresidents denominated in foreign currencies. They include foreign exchange (foreign currency cash, deposits with foreign correspondents, holdings of foreign securities), monetary gold, IMF reserve position, and SDR holdings.

- **Foreign liabilities** are defined as liabilities of the CBvS vis-à-vis nonresidents denominated in foreign currencies; all outstanding credit from the IMF resulting from purchases under arrangements and SDR allocation; the nominal value of all derivative positions (including swaps, options, forwards, and futures) of the CBvS, implying the sale of foreign currency or other reserve assets.

26. **Thus defined**, NFA amounted to SRD 4,039.5 million as of December 31, 2020 (Table 6).

27. **Reporting**: Data will be provided to the IMF with a lag of no more than two weeks after the end of the month. At each program test date, the quarterly data on net domestic assets submitted by the CBvS to the IMF will be reviewed by the CBvS external auditors, to ensure conformity with the program definition and calculation methods. Reports should be submitted to the CBvS, with a copy to the IMF, no later than 60 days after each test date.

28. **Adjusters**: Consistent with the NIR target adjustment mechanism defined above, NDA targets will be adjusted:

1. downward (upward) by the full amount of the cumulative surplus (shortfall) in program loan disbursements from IFIs relative to the baseline projections reported in Table 2.

3. downward (upward) by the full amount of the cumulative surplus (shortfall) in loans from official bilateral and private creditors (including international capital markets) relative to the baseline projections reported in Table 2.

4. downward (upward) by the full amount of the cumulative surplus (shortfall) in the sum of the government's total mineral and other revenues received in foreign exchange that are transferred to the CG account at the CBvS, with the exemption of pending transfers of these funds to the foreign bank account of the CBvS, relative to baseline projections reported in Table 4 (see definition in section F). Mineral revenue in FX is defined as the government's FX tax and non-tax proceeds from state-oil company Staatsolie Suriname and from gold companies. This includes corporate tax, wage tax (including old age fund contributions), dividend tax, indirect taxes, dividends, royalties and others. Royalties from small scale gold mining are also included in mineral revenue. Other FX revenues of the CG are defined as any revenues in foreign exchange other than mineral revenue as defined above.

5. upward (downward) by the full amount of the cumulative surplus (shortfall) in CG and CBvS's debt service payments in foreign exchange relative to baseline projections reported in Table 5.

6. Downward by the full amount of the CBvS' cumulative purchases of foreign exchange from the market relative to the baseline projections reported in Table 7.

29. For the purposes of calculating adjusters, these flows will be valued at program exchange rates.

Table 7. Suriname: FX Purchases by CBvS
(Baseline Projection)

Cumulative flows from the beginning of the fiscal year	(In USD millions)
End-June 2023	0
End-July 2023	0
End-August 2023	0
End-September 2023	0
End-October 2023	0
End-November 2023	0
End-December 2023	0
End-January 2024	0
End-February 2024	0
End-March 2024	0
End-April 2024	0
End-May 2024	0
End-June 2024	0
End-July 2024	0
End-August 2024	0
End-September 2024	0
End-October 2024	0
End-November 2024	0
End-December 2024	0

H. Direct Purchases/Sales of FX by the CBvS and/or Central Government from/to SOEs and Private Sector (Continuous Ceiling)

30. Definitions: The ceiling on direct purchases/sales of FX by the CBvS and/or central government from/to SOEs and private sector will be a continuous performance criterion throughout the program period. The following purchases/sales of FX by the CBvS from/to the FX market are excluded from this definition:

- Purchases/sales of FX with banks and cambios undertaken through fixed allotment/variable price auctions.
- Sales of FX to (former) CBvS employees for children's overseas study and livelihood purposes, overseas pension transfers, overseas salary transfers and overseas travel expenses up to a maximum amount of USD 100,000 per quarter or an equivalent thereof in another convertible currency.
- Purchases of EUR banknotes from banks and cambios in exchange for USD banknotes.
- Sales of FX by mineral companies associated with these companies' tax or non-tax obligations to the central government.

31. Reporting: Data on direct purchases/sales of FX by the CBvS and/or central government from/to SOEs and private sector will be provided by the CBvS to the Fund daily.

I. Central Government Mineral Revenue in Local Currency (Ceiling)

32. Definition: The ceiling on central government mineral revenue in local currency will be assessed on cumulative basis and specified in U.S. dollars (converted at the weighted average SRD/U.S. dollar exchange rate published by the CBvS at the end of the previous working day). For purposes of this performance criterion, central government mineral revenue is defined as the government's tax and non-tax cash revenue from the state-oil company Staatsolie Suriname and from large- and small-scale gold companies. This revenue includes corporate tax, indirect taxes, dividends, royalties and other mineral revenue. The following mineral revenue is excluded from this definition: (i) wage taxes (including old age fund contributions); (ii) consent right fees; (iii) dividend tax; and (iv) Staatsolie Suriname's tax and non-tax obligations to the government netted out against accounts receivable from other state-owned enterprises.

33. Reporting: Data on central government foreign and local currency tax and non-tax mineral revenue as defined above will be submitted on a weekly basis by revenue item, type of commodity and source counterparty (aggregated for small-scale gold companies). Where the local currency mineral revenue is from a prior sale of mineral companies' FX-denominated tax or non-tax obligations to the central government, the data will additionally include the sale transactions by date and counterparty, including the exchange rate and any margins or fees applied. Data will be provided to the IMF within 3 working days of the end of each week.

II. OTHER CONTINUOUS PERFORMANCE CRITERIA

34. During the period of the Arrangement under the EFF, Suriname will not: (i) impose or intensify restrictions on the making of payments and transfers for current international transactions; (ii) introduce or modify multiple currency practices; (iii) conclude bilateral payments agreements that are inconsistent with Article VIII; and (iv) impose or intensify import restrictions for balance of payments reasons.

III. INDICATIVE TARGETS: DEFINITION OF VARIABLES

J. Social Spending of Central Government (Floor)

35. Definition: Social spending of central government includes all the spending of the Ministry of Social Affairs and Public Housing (Ministerie van Sociale Zaken en Volkshuisvesting) on social protection programs. The floor on CG social spending is cumulative from the beginning of the year and is defined as the sum of spending on the following cash transfer programs:

- General old-age pension.
- General child benefit.
- Financial assistance for persons with disabilities.
- Financial assistance for weak households.
- Social beneficiary program.

36. Reporting: Data will be provided to the IMF with a lag of no more than six weeks after the end of the quarter.

K. Stock of Value Added Tax Refunds Outstanding (Ceiling)

37. Definition: The stock of value added tax (VAT) refunds outstanding will be assessed as total cumulative VAT refund claims which have not yet been paid or declined by the Tax Authority of Suriname (Belastingdienst Suriname). The stock is cumulative from the beginning of 2023. A claim for a refund will be assessed as existing once a credit return is filed. The stock of VAT refunds outstanding will exclude interest payable on approved delayed refunds and refunds due to non-VAT registrants. A VAT refund claim is deemed to be paid if settled against outstanding payable VAT returns or if settled against non-VAT revenue arrears.

38. Reporting: Data will be provided to the IMF with a lag of no more than six weeks after the end of the quarter.

IV. INFORMATION REQUIREMENTS

39. In accordance with IMF Government Finance Statistics Manual (GFSM) 2014 and Public Sector Debt Guide for compilers and users total gross debt covers all liabilities that are debt instruments. A debt instrument is defined as a financial claim that requires payment(s) of interest and/or principal by the debtor to the creditor at a date, or dates, in the future. The following instruments are considered debt instruments:

- Special drawing rights (SDRs);
- Currency and deposits;
- Debt securities;
- Loans;
- Insurance, pension, and standardized guarantee schemes; and
- Other accounts payable.

40. All liabilities included in the GFSM balance sheet are considered debt, except for liabilities in the form of equity and investment fund shares and financial derivatives and employee stock options. Equity and investment fund shares are not debt instruments because they do not require the payment of principal or interest. For the same reason, financial derivatives are not considered debt liabilities because no principal is advanced that is required to be repaid, and no interest accrues on any financial derivative instrument.

41. For the purpose of the program, Suriname Budgetary Central government (BCG) debt includes the following instruments:

- Debt Securities including short term liquidity instruments;
- Loans (including overdraft in bank accounts);
- Other Accounts Payables.

42. Any liabilities issued by the BCG, held as an asset by other entity of the BCG should be netted out. Since the consolidation is done at the level of BCG, central bank lending to the government is included in the stock of BCG debt.

43. To ensure adequate monitoring of economic variables and reforms, the authorities will provide the following information:

44. Daily/Semi-weekly

- Official nominal exchange rates.

- Volumes and nominal exchange rates (inclusive of any fees, commission, or other types of charge) of foreign exchange transactions (purchases and sales) by banks and cambios.

- Volumes and nominal exchange rates of direct purchases/sales of foreign exchange by the CBvS and/or central government from/to SOEs and private sector.

- Monitoring Template IMF (no. 25[41]) - Deposits including largest 5 depositors in accordance with the Enhanced Supervision framework, within one week after the reporting period.

- Monitoring Template IMF (no. 26) – Liquid assets held by banks in accordance with the Enhanced Supervision framework, within one week after the reporting period.

- Liquidity Coverage SRD template (no. 30) in accordance with the Enhanced Supervision framework, within one week after the reporting period.

- Net Foreign Currency Position (Net Open Position) template (no. 27) for banks in accordance with the Enhanced Supervision framework. For cambios this ratio will also be reported, in both cases within one week after the reporting period.

45. Weekly/bi-weekly

- CBvS liquidity assistance to financial institutions, by institution.

- Reports on large exposures by bank that are equal or exceed 10 percent of Tier 1 Capital (template no. 28) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.

- Large deposits that are equal or exceed 10 percent of Tier 1 Capital (template no. 29) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.

- Liquidity forecast and realization (templates no. 15, 17 and 19) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.

- Liquidity stress testing (templates no. 10-13) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.

- Lending availability in SRD and USD (templates no. 21 and 22) in accordance with the Enhanced Supervision framework, within two weeks after the reporting period.

- Table on monitoring of banking sector benchmarks in accordance with the Enhanced Supervision framework on a bi-weekly basis, within two weeks after the reporting period.

- CBvS purchases and sales of foreign currency (FX cash flow table). FX auction amounts, auction bids, highest and lowest prices, cut-off and weighted average prices, FX rate before the auction.

- Information on auction results for open market operations no later than two days after the auctions, including on: instrument type, total open market operations auction volume, settlement date, expiration date, the number of total bids, total amount of bids, the number of total allocated bids, total amount of allocated bids, the minimum bid rate, the cut-off interest rate, the highest bid rate, and the weighted average allotted interest rate.

- Weekly submission of daily transactions and rates for the following: interest rates on domestic debt securities by maturity; required and excess reserves of the banking sector in local and foreign currency; total liquidity assistance to banks through normal lending operations, standing facilities, and ELA. Interest rates on OMOs, standing facilities, and ELA by maturity.

- Weekly submission of daily mineral tax and non-tax revenue of major commodity companies and small gold miners, by revenue item and type of commodity (and separately for large-scale gold companies and small-scale gold miners). Data is to be provided within 3 working days of the end of each week.

46. Monthly

- CG operations (revenues and expenditure) data in GFS format within six weeks of the end of the month.

- CG detailed revenues data from the tax office by revenue category, including: (i) direct tax by item, (ii) indirect tax by item, and (iii) non-tax revenues by item within six weeks of the end of the month.

- Number of public civil servants and total wage bill by Ministry within six weeks of the end of the month.

- CG authorized spending data by Ministry within four weeks of the end of the month.

- CG subsidies data by Ministry and programs within six weeks of the end of the month.

- CG balance from the financing side by sources and by currency, with a lag of no more than six weeks after the end of the month.

- CG domestic and external debt stock, including by: (i) creditor, (ii) currency, (iii) instrument; (iv) collateralized by natural resources revenue; and (v) guaranteed. The reporting lag should not exceed four weeks after the end of the month.

- Amortization payments of CG and government guaranteed debt by creditor, instrument, and currency. In the case of issuance of government guaranteed debt, the name of the guaranteed individual/institution should be provided. The reporting lag should not exceed four weeks after the end of the month.

- Interest payments and fees on CG and government guaranteed debt by creditor, instrument, and currency. The reporting lag should not exceed four weeks after the end of the month.

- Stock of CG expenditure arrears, separately including payment of existing arrears and creation of new domestic arrears including the currency of the arrears. The reporting lag should not exceed four weeks after the end of the month.

- Stock of CG domestic and external debt arrears, including the currency of arrears. The reporting lag should not exceed two weeks after the end of the month.

- New debt contracts (official or private) entered into by the CG and/or SOEs. The reporting lag should not exceed two weeks after the end of the month.

- Holdings of domestic T-notes and T-bills (SRD-denominated and foreign currency-denominated) by investor, maturity, and currency. The reporting lag should not exceed four weeks after the end of the month.

- Legal measures that affect the revenue of the CG, such as tax rates, import tariffs, and exemptions. The reporting lag should not exceed six weeks after the end of the month.

- Balance sheet of the CBvS within two weeks of end of the month.

- A summary of the monetary survey of the banking system (including CBvS and deposit-taking institutions). This information should be received with a lag of no more than six weeks after the end of the month.

- Income statement of the CBvS on a cash and accrual basis, with a lag of no more than three weeks from the end of the month.

- Projections of CBvS purchases and sales of foreign currency (FX cash flow table, 12 months ahead).

- Information on interconnectedness of the financial sector and related party lending (templates no. 6 and 37) in accordance with the Enhanced Supervision framework, within four weeks after the end of the month.

- The deposit funding structure of the banks (template no.8) in accordance with the Enhanced Supervision framework, within four weeks after the end of the month.

- Information on measures taken by the banks in the context of the COVID-19 pandemic (templates no.33-35), within four weeks after the end of the month.

- Banks' claims on the government and State-owned Entities with breakdown by type (debt types, loan types including the gross amount of overdrafts) within four weeks after the end of the month.

- The Monthly Returns as reported to the CBvS, within four weeks of the end of the month.

- A written update on the progress of the Asset Quality Review (until the review has been concluded) that includes any issues encountered by CBvS and/or their advisor and any remedial actions taken.

- Data on foreign reserve assets and foreign reserve liabilities for NIR target purposes (Table 2) evaluated at both official and program exchange rates, within two weeks of the end of the month.

- Data on NDA, NFA, and reserve money (Table 4) evaluated at both official and program exchange rates, within two weeks of the end of the months.

- Data on foreign reserve assets split into ring-fenced and non-ring-fenced assets evaluation at official exchange rates, within two weeks of the end of the months.

- Consumer price index, including by sub-components of the CPI index within four weeks after the end of the month.

- Cash flow of EBS showing government transfers to cover the gap between the average electricity tariff and EBS recovery cost within eight weeks after the end of the month.

- Electricity average tariff, total electricity consumption volume, total billing and amount collected (in SRD) to be provided by consumption categories (household, commercial, and industrial) and by consumption volume. This information should be received with a lag of no more than eight weeks after the end of the month.

- Electricity costs including: (i) production costs: fuel costs, Staatsolie electricity costs, hydropower costs, separately, (ii) other operational costs: personnel costs and financing costs, and (iii) investment costs. This information should be received with a lag of no more than eight weeks after the end of the month.

- EBS committed and executed payments to Staatsolie for purchases of fuel and electricity. This information should be received with a lag of no more than eight weeks after the end of the month.

47. Quarterly

- Detailed balance of payments data within 60 days after the end of the quarter.

- Detailed International Investment Position data within two months after the end of the quarter.

- Projections regarding banks' balance sheets and profit and loss statement (template no. 2 and 3) in accordance with the Enhanced Supervision framework, within four4 weeks after the end of the quarter.

- Liquidity forecast and realization (templates no. 14, 16 and 18) in accordance with the Enhanced Supervision framework, within four weeks after the end of the quarter.

- Progress reports of the banks on inspection items identified by CBvS, within six weeks after the end of the quarter.

- A full set of quarterly Financial Soundness Indicators (FSI) calculated by the CBvS within 60 days after the end of the quarter.

- CG spending on social protection programs, by program, as defined for the indicative target on social spending. The reporting lag should not exceed six weeks after the end of the quarter.

- The stock of VAT refunds outstanding calculated by the Tax Authority of Suriname within six weeks after the end of the quarter.

48. Annual

- Financial statements of EBS within six months of year end.

- Nominal GDP and real GDP within eight months of year end.

- Labor market statistics (including the unemployment rate and labor participation ratio) within twelve months of the year end.

INTERNATIONAL MONETARY FUND

SURINAME

March 15, 2024

FIFTH REVIEW UNDER THE EXTENDED ARRANGEMENT UNDER THE EXTENDED FUND FACILITY, REQUESTS FOR MODIFICATION OF PERFORMANCE CRITERIA, WAIVERS OF NONOBSERVANCE OF A PERFORMANCE CRITERION, AND FINANCING ASSURANCES REVIEW—SUPPLEMENTARY INFORMATION

Approved By Nigel Chalk (WHD) and Bergljot Barkbu (SPR)

This supplement reflects information that has become available since the staff report was finalized. This information does not alter the thrust of staff appraisal.

1. **Based on the information obtained after the submission of the staff report, staff is no longer proposing a structural benchmark (SB) on fully constituting the Executive Board of the Central Bank of Suriname (CBvS).** To encourage prompt implementation of the new Central Bank Act, the staff report included a new proposed SB on fully constituting the CBvS' Executive Board by end-March 2024. On March 11, the government issued a decree appointing the final member of the Executive Board. As such, the intended measure has already been completed and the SB is no longer required. The table below replaces the corresponding Table 13 of the staff report and Table 2 of the Memorandum of Economic and Finance Policies (MEFP).

Table 1. Suriname: Structural Benchmarks Under the EFF

Measure	SR ¶	Target date 1/	Status	Objective
Structural benchmarks				
Exchange rate/monetary/safeguards				
Establish competitive FX auctions for the CBvS to undertake buying/selling of FX during periods of disorderly market conditions (defined as when the intraday change in the exchange rate versus the U.S. dollar is more than 2 percent) under the agreed rule.		December 2021	Met	Ensure the CBvS has a mechanism to intervene in the FX market.
Establish an electronic trading platform for inter-bank/cambio FX trading.		June 2022	Not met	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.		June 2022	Not met	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.		September 2022	Not met	Protect the CBvS's financial autonomy.
Publish on the CBvS's external website the FY 2016 - 2018 audited financial statements.		December 2021	Not met; implemented with a delay in February 2022	Strengthen accountability and transparency, and reduce risk of misreporting.
National Assembly to pass amendments that are in line with IMF staff recommendations, to inter alia, (i) clarify and strengthen the mandate; (ii) bring CBvS' institutional, financial, and personal autonomy into line with international best practice; (iii) increase transparency, accountability and oversight; (iv) define clear requirements on accounting, profit distribution, reserves and eventual recapitalization of the CBvS and (v) introduce strict limits on monetary financing (with transitional rules).		January 2022	Not met; implemented with a delay in April 2023	Strengthen the CBvS's mandate, autonomy, governance, and accountability and transparency.
Establish an electronic trading platform for inter-bank/cambio FX trading, with expanded scope to cover also bank/cambio trading with gold exporters.	18	September 2023	Not met; implemented with delay in [March]	Create a consolidated FX market.
Publish on the CBvS's external website the FY 2020-2021 audited IFRS financial statements.	22	June 2024		Strengthen accountability and transparency, and reduce risk of misreporting.
Publish on the CBvS's external website the FY 2022 audited IFRS financial statements.	22	June 2024	Proposed to be reset to September 2024	Strengthen accountability and transparency, and reduce risk of misreporting.
Develop a time-bound plan for the CBvS's recapitalization agreed between the CBvS and the government.	22	March 2024	Proposed to be reset to April 2024	Protect the CBvS's financial autonomy.
Submit a legislative amendment to the Foreign Exchange Regulation 1947 to the National Assembly in consultation with Fund staff to rectify any misalignments with the amended Central bank Act 2022.	18	December 2023	Not met	Enable the CBvS to effectively and independently manage its official reserves and conduct foreign exchange policy.
Financial sector/crisis preparedness				
Undertake full asset quality review for the two largest (by assets size) banks (drawing on the expertise of an internationally reputable specialist firm).		September 2022	Met	Diagnose the largest banks and potential recapitalization needs.
Submit to the State Council the Credit Institutions Resolution Act to increase CBvS' powers and tools for early intervention, recovery, and resolution of financial institutions.		January 2022	Not met; implemented with delay in February 2023	Strengthen the CBvS's role in crisis management.
Submit the revised Banking and Credit Supervision Act to the State Council to facilitate risk-based supervision through expanding CBvS' assessment powers to determine bank compliance with regulatory requirements.		January 2022	Not met; implemented with delay in February 2023	Solidify oversight over the financial sector.
Operationalize the Financial Stability Committee, composed of representatives from the MoF and CBvS.		January 2022	Not met; implemented with a delay in April 2022	Improve coordination on financial sector issues.
Operationalize a Bank Resolution Unit within the CBvS with appropriate governance arrangements, staffing, funding and clear internal guidelines on how the unit would undertake crisis management and enforcement actions.		February 2022	Not met; implemented with a delay in April 2022	Strengthen the CBvS's role in crisis management.
Undertake full asset quality review for the remaining banks (drawing on the expertise of an internationally reputable specialist firm).		December 2022	Not met; implemented with a delay in May 2023	Diagnose the financial sector and potential recapitalization needs.
CBvS and MoF agree on a governance framework for state-owned banks.	21	December 2023	Not met; implemented with delay in February	Improve governance of state-owned banks.
CBvS to instruct the banks to incorporate the AQR results and review the recapitalization plans submitted by the banks to verify their credibility	20	October 2023	Not met; implemented with delay in December	Improve strength of the financial sector.
CBvS, in consultation with IMF, to set common equity tier one and capital adequacy ratio targets for banks and outline the corrective measures it would escalate if CET1/CAR targets are breached	20	March 2024	New proposed SB	Improve strength of the financial sector.

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Table 1. Suriname: Structural Benchmarks Under the EFF (continued)

Measure	SR ¶	Target date	Status	Objective
Fiscal and Debt				
Publish a time-bound plan to implement recommendations from technical assistance programs provided by the IMF to streamline treasury functions through the Treasury Single Account (TSA).		January 2022	Met	Improve governance and increase transparency.
Develop a term of reference, with technical assistance from international partners, for hiring specialists to audit outstanding supplier arrears.		January 2022	Met	Improve governance and increase transparency; improve fiscal data reporting.
Publish the financial assessment of EBS that includes its legacy liabilities.		May 2022	Met	Achieve full cost recovery in the electricity sector.
Commence an audit on outstanding supplier arrears.		April 2022	Met: audit completed in May 2023	Improve governance and increase transparency; improve fiscal data reporting.
Passage of laws needed to implement the VAT by the National Assembly.		March 2022	Not Met; implemented with a delay in August 2022	Ensure fiscal adjustment in line with program parameters.
Publish a plan to scale back a range of tax exemptions (including an assessment of existing tax exemptions, the list of exemptions to be discontinued starting April 1, 2022, and the expected revenue impact) aimed at raising additional revenue of 0.4 percent of GDP.		March 2022	Not Met; Implemented in February 2023 budget	Ensure fiscal adjustment in line with program parameters.
Pass laws and issue relevant decrees if needed to expand the legal mandate of the debt management office (SDMO) to include the whole nonfinancial public sector, including all suppliers' arrears, guarantees, and contingent liabilities.		June 2022	Not Met; implemented with delay in March 2023	Improve debt data reporting.
Create a large taxpayer unit to increase taxpayer compliance.		June 2022	Not Met; implemented with a delay in July 2022	Improve tax administration.
Review the social protection public expenditure and publish a time-bound strategic plan to improve the efficiency and effectiveness of social benefits.	9	December 2023	Not met; implemented with delay in [March]	Strengthen social spending.
Establish a system to compile and maintain in a central place an up-to-date list of public entities (Institutional Table), starting with the central government entities.		June 2023	Met	Improve fiscal data reporting.
Enact the amended VAT Act to convert all zero-rated products (except exports and ancillary supplies to exports) to exempt ones and impose the standard 10 percent VAT rate on sales covering at least 60 percent of household consumption		July 2023	Not Met; implemented with a delay in September 2023.	Ensure fiscal adjustment in line with program parameters.
Publish on the EAS external website quarterly updates of the rationale for each tariff adjustment, the estimated cost of providing electricity, and the remaining size of the subsidy.		October 2023	Met	Improve governance and increase transparency; improve fiscal data reporting.
Operationalize the enacted amendment to the Personnel Act by issuing a state decree (with detailed procedures) to halt payments of salaries for unregistered workers.		October 2023	Not Met; implemented with delay in November 2023	Strenthen PFM and ensure fiscal adjustment in line with program parameters.
Issue State Decree to provide the Minister of Finance the authority to access all bank accounts held by government entities at commercial banks	11	March 2024		Strengthen PFM.
Publish quarterly budget execution report starting with the end June 2023 budget outturns.	11	September 2023	Met	Strengthen PFM.
Publish a public investment management manual with general guidelines for the economic appraisal of investment projects including climate change and flood risk management considerations, and sectoral guidelines for key ministries.	9	September 2024	Proposed to be removed	Climate adaptation to contain fiscal risks.
MoFP, SDMO, and CBvS to sign a Memorandum of Understanding detailing respective responsibilities and processes with respect to external debt payments	11	January 2024	Met	Improve debt management and reporting, and avoid external debt arrears.
Publish on the Ministry of Social Affairs and Housing's external website a monthly report detailing the number of households or individuals covered by each program in each district and the value of cash transfers made to recipients in each district under each program.	9	January 2024	Met	Improve governance and increase transparency.
Publish a report of the largest state-owned enterprises to quantify the principal fiscal risks faced by these enterprises	11	June 2024	Proposed to be removed	Strengthen PFM.
Mandate that all tax declarations and transactions use a Fiscal Identification Number.	9	June 2024	New proposed SB	Improve tax administration.
Implement a pilot Treasury Single Account for a limited set of ministries.	11	January 2025	New proposed SB	Strengthen PFM.
The Budget Department will set commitment ceilings by line ministry quarterly and enforce them, including through FreeBalance.	13	Continuous	New proposed SB	Strengthen PFM and avoid new expenditure arrears.
Fully repay domestic debt arrears	12	March 2024	New proposed SB	Improve debt management and financial stability
Issue a resolution to clarify that government will not be responsible for for contracts agreed with line ministries that have no prior authorization from the MoF.	13	April 2024	New proposed SB	Strengthen PFM and avoid new expenditure arrears.
Mandate all line ministries to report the stock of arrears to the MoF	13	June 2024	New proposed SB	Improve debt management and financial stability

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Table 1. Suriname: Structural Benchmarks Under the EFF (concluded)

Measure	SR ¶	Target date	Status	Objective
Governance (anti-corruption)				
Ratify the United Nations Convention Against Corruption (UNCAC).		January 2022	Met	Reduce vulnerabilities to corruption and promote investment and growth.
Issue an Implementation Act to amend the Anti-Corruption legal framework to ensure criminalization of all corruption acts (in line the with the requirements of the UNCAC) and to strengthen the income and asset declaration provisions in the Anti-Corruption law to support routine verification of income and asset declarations for high-level and high-risk public officials, provide this information to the public and establish proportionate sanctions for non-compliance.		June 2022	Not Met	Reduce vulnerabilities to corruption and promote investment and growth.
Operationalize the Anti-Corruption Commission (as required by the 2017 Anti-Corruption Act) and adopt an operational framework for its implementation, in line with the UNCAC.		March 2022	Not Met; implemented with a delay in May 2023	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to reflect: i) adoption of legislation and or other measures as may be necessary to establish as criminal offences the relevant Articles contained in Chapter III of the UNCAC; and ii) enactment of legislation which creates a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	23	June 2024	Proposed to be reformulated and reset as two SBs below	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to criminalize acts of corruption	23	June 2024	New proposed SB	Reduce vulnerabilities to corruption and promote investment and growth.
Amend the Anti-Corruption legal framework to creates a requirement for the income and asset declarations of politically exposed persons, the routine verification of these declarations, the publication of this information and the establishment of proportionate sanctions for non-compliance.	23	September 2024	New proposed SB	Reduce vulnerabilities to corruption and promote investment and growth.
Governance (procurement)				
Enact a new procurement law to centralize and mandate the publication of all public procurement tenders and contract awards, including the names of the awarded entities and their beneficial owner(s), the names of public officials awarding the contracts, and the ex-post validation of delivery of the contracted services	22	September 2023	Not Met	Strengthen procurement efficiency.
Governance (AML/CFT)				
Amend the AML/CFT law legislation and other relevant laws and regulations to bring them into line with the FATF international AML/CFT standards (including with respect to the treatment of politically-exposed persons and beneficial ownership requirements).		August 2022	Not Met; implemented with a delay in November 2022	Mitigate the adverse effects of criminal economic activity and promote integrity in financial markets.

Source: IMF staff. *Concluded*

1/ The target dates for all structural benchmarks are the end of the month.

Statement by Mr. Alfonso S. Bevilaqua, Executive Director for Suriname, Mr. Bruno Saraiva, Alternate Executive Director, and Mr. Karel Eckhorst, Advisor March 20, 2024

The Surinamese authorities extend their appreciation to the mission team for the productive and open dialogues held during the fifth review of the Extended Fund Facility (EFF) arrangement. The authorities broadly concur with the staff's assessment of the economic performance and prospects, along with the advancements achieved in executing the EFF-supported program, despite facing persistent considerable challenges and capacity constraints. The outcomes of the reform program have exceeded expectations in certain aspects. Inflation has decreased more rapidly than initially projected by staff, and growth is anticipated to remain stable at its long-term average level. The Surinamese authorities underscore their commitment to restructure the economy with the support of the EFF, aiming to strengthen fiscal discipline, debt sustainability, and overall macroeconomic and financial stability. Despite the capacity constraints, our Surinamese authorities remain committed to enhance the social safety nets for the most vulnerable segments of society.

Recent Developments and Outlook

In 2023, economic growth decelerated to 2.1 percent, from 2.4 percent in 2022, but it is expected to rebound to 3.0 percent in 2024. The primary factors contributing to growth in 2023 were heightened spending in the non-mining sector, especially within the services sector and public sector investments, although a decrease in gold mining output restrained overall economic expansion. The outlook for growth in 2024 anticipates sustained increases in both public and private sector investments.

Inflation followed a steadily declining trend throughout the latter months of 2023 dropping beyond expectations, to 32.6 percent by the end of the year. This decrease in inflation can be attributed to the demand management efforts through fiscal discipline and tighter monetary policies, as well as stabilization of exchange rate and the unwinding of international price shocks. That said, the still high inflation in 2023 reflects the realignment of relative prices due to the phasing-out of subsidies on utilities (electricity, water, and gas). For 2024, inflation is forecast to continue moderating, potentially falling significantly below 20 percent, despite continued adjustments in utility tariffs, including the implementation of cost-recovery tariffs for electricity throughout the year.

Fiscal, Social and Tax Policies

The authorities remain committed to further fiscal consolidation. In order to meet the primary surplus target of 2.7 percent of GDP this year, the Administration has been undertaking bold actions to lower expenditures and increase revenues. These include tripling the prices of cooking gas as of September 1st, 2023, and adopting quarterly adjustments thereafter to reach cost recovery tariff levels while at the same time reducing the subsidies of the energy company EBS to the cooking gas company Ogane. Furthermore, increased enforcement of tax compliance resulted in a rise of tax revenues recently. To contain the wage bill, the Minister of Finance acted by ensuring that the budget of the line ministries will not increase by new hirings. The current wage bill limits cannot be exceeded by adding new civil servants to the system.

However, measures to mitigate real income losses had to be taken, raising the challenge for meeting the 2.7 percent primary surplus target in 2024. In order to partially compensate civil servants 'loss of real income, given the still high inflation and stringent policy on nominal wages, the government extended a nominal monthly bonus to civil servants through end-2023 and will review the measure quarterly. In addition, an adjustment in the income brackets for tax purposes, including an increase in the tax-free income floor, was also agreed for 2024. Further measures to raise revenues and rationalize expenditures are being considered to meet the fiscal target. The fiscal consolidation path became more achievable with the extension of the program for another quarter in the previous review.

The authorities 'decision on the phasing-out of electricity subsidies is historical and will be crucial for fiscal consolidation in 2024. On March 7, the Government took the bold decision to approve a comprehensive electricity subsidies 'reform that will set in the transition from untargeted to targeted subsidies. The first step is an adjustment in the exchange rate (from 30 to 36 Surinamese dollars (SRDs) for USD) for costs calculations. Next, a 40 percent reduction of subsidies to households in March 2024 sets the stage for four subsequent bi-monthly reductions of 7 percent each. For non-household entities, the initial 40 percent reduction in subsidies applies through May 2024. It implies, reaching cost-recovery for this category by the end of 2024.

At the same time, a comprehensive package of social support and other purchasing power enhancing measures will be introduced to support especially vulnerable households. The Ministry of Social Affairs will register and incorporate vulnerable households in the Social Beneficiary Program. At the same time, the Government will enforce EBS adherence to the recommendations from several studies to enhance efficiency and improve invoicing, revenue collection, and financial administration. Starting March 1, 2024, the national electricity company will introduce an automatic quarterly tariff adjustment mechanism based on exchange rates and fuel prices. At the same time, ongoing efforts to expand the energy portfolio with cleaner sources will continue. The authorities will further increase cash transfers using their traditional instruments, compensating for the phasing out of electricity and other subsidies and inflation in general. The Ministry of Social Affairs is improving the administration and distribution mechanisms to ensure that the indicative floor for social spending is continuously met.

The authorities emphasize that the improvement of coverage, efficiency and effectiveness of social benefits remains a high priority throughout the program. The Government is constantly assessing the performance of the social protection programs and has requested support from the Fund and development partners, and technical assistance was provided by the International Labor Organization (ILO) and the Inter-American Development Bank (IDB). Based on their reports, the authorities will design a time-bound plan to improve efficiency and effectiveness of social benefits.

The recently established Treasury Department at the Ministry of Finance and Planning (MoFP) has been focusing on the management of government's banking, payment systems,

cash flow, liquidity management and suppliers' arrears. Despite the closer monitoring and the adoption of controls, suppliers' arrears increased significantly in the past couple of months and warrant an immediate and coordinated approach to reduce them back to more sustainable levels. To ensure complete clearance by the deadline and no further accumulation, a suppliers' arrears management strategy is now being developed, whereby the Treasury and Budget Department closely coordinate with the Tax Office, to align suppliers 'arrears from line ministries with tax revenues. This high-frequency monitoring and cash management operation will prevent line ministries 'monthly expenditure to exceed the monthly tax revenues envelope.

Evaluation of the implementation of the VAT reveals ample space for improvement and enhanced effectiveness. The VAT Evaluation Commission that assessed the law and its effect on revenues and inflation presented its report to the authorities. The report also includes a comprehensive set of recommendations to improve implementation, effectiveness, coverage, and neutrality of the law. In the meantime, a Cartac/IMF mission has also carried out a comprehensive evaluation of the implementation of the VAT. The draft report with recommendations has already been sent to the tax authorities, and a technical assistance to improve the refund process is in the pipeline.

Debt Management and Sustainability

Important strides on debt restructuring have been undertaken and the Government is highly committed to finalize the whole process by end-2024. In June 2022, the government of Suriname signed an agreement in principle (AIP) with the Paris Club creditors. By 2023, all bilateral agreements with the Paris Club creditors were signed. In July 2022, the government of Suriname submitted the first restructuring proposals to India and China. In 2023, the restructuring process with India was also finalized. With China, the minutes of a technical level understanding on the two-stage debt treatment (flow and stock relief) were signed by both parties by March 1st. The debt treatment is comparable with that of the Paris Club (PC) creditors and is consistent with debt sustainability. Regarding debt restructuring with the Bondholder's Committee, on December 6, 2023, the two outstanding Eurobonds were exchanged for one fixed income instrument with a value recovery provision, which is structured to ensure that the Republic and its population will continue to benefit from oil-related revenues. With remaining private external creditors, which hold 1 percent of total pre-restructured debt, negotiation proceeds in good faith, by sharing relevant, non-confidential information with all creditors on a timely basis and providing creditors with an early opportunity to give input on the design of restructuring strategies. The restructuring of domestic debt (including arrears) to the central bank and commercial banks was finalized in 2023. The authorities are committed to promptly clearing all remaining domestic debt arrears, except technical arrears, by end-March 2024. To ensure timely payments of debt obligations, with support from IMF CD, a memorandum of understanding (MoU) between SDMO, the MoFP, and the CBvS was signed, defining the responsibilities for timely information provision to other agencies and processing of payments. The MoU also specifies an escalation process within each agency and procedures for inter-agency monitoring.

Monetary and Financial Policies

The Central Bank of Suriname (CBvS) met the end-December 2023 monetary QPCs, with a slight deviation in one indicative monetary target related to reserve money. The adherence to a stringent policy approach, involving open market operations, increased reserve requirements in local currency, and the imposition of a cap on private sector credit growth, alongside close policy coordination between the CBvS and the Ministry of Finance and Planning, played a crucial role in achieving the end-December performance criteria. The implementation of monetary policy tightening measures has resulted in a reduction in local currency private sector credit expansion and has contributed to rein in the growth of reserve money, leading to a notable reduction in inflation rates.

The CBvS has assessed and approved the time-bound recapitalization and restructuring plans of commercial banks with capital shortages. Following the approval of these plans based on their credibility and feasibility, the CBvS is closely monitoring their implementation on a monthly basis. This also entails consultation with management and supervisory board members of the banks with capital shortages. In addition, the monetary authorities are currently designing a new governance framework for state-owned banks. A key element of the reform is to establish greater supervisory autonomy. The process of staffing crucial roles, such as Internal Audit, Compliance, Risk and Treasury, within state-owned banks must undergo structural enhancements to ensure full operational independence.

The National Assembly enacted the Bank Resolution and the revised Banking and Credit System Supervision legislations on December 5, 2023. The promulgation of these Acts occurred in January 2024. The enactment of this legislation empowers the CBvS to effectively address and mitigate financial distress faced by credit institutions, while also amplifying its risk-based supervisory capabilities and tools.

Exchange Rate Policies

Recent developments in the foreign exchange market reveal ample availability of foreign currency combined with a decreasing demand, leading to instances of accelerated currency appreciation. Such developments reflect underlying shifts in economic fundamentals and market sentiment affecting exchange rate dynamics. The CBvS remains vigilant in monitoring these trends to ensure the soundness of the foreign exchange market, thereby fostering conducive conditions for economic growth and resilience. Technical challenges have caused a delay in the launching of the electronic FX Trading Platform, but the CBvS has managed to operationalize electronic foreign currency transactions among banks in March 2024. Upon gaining proficiency in intra-bank FX trading, the CBvS will progressively open the platform to other market participants, with the goal of nurturing healthy and equitable competition on a non-distorted FX market.

Improving Program Implementation and Risks

Corrective measures have been taken to improve data collection and program performance monitoring. Unfortunately, there was a case of use of inaccurate data, which led to a *de minimis* misreporting on the primary fiscal balance (cash basis) for the fourth review, resulting in a missed criterion by USD 0.16 million, or 0.005 percent of GDP. The MOFP staff failed to apply the correct exchange rate to payments denominated in USD and EUR leading to the error, which was promptly notified to Fund staff as soon as it was identified. Our Surinamese authorities have taken this episode very seriously, despite the fact that the criterion was missed by a minimal amount, and have requested IMF technical assistance to improve the quality and the handling of government finance statistics.

While program performance has been strong, risks to further implementation remain significant. Despite capacity constraints and political challenges, the implementation of the program has been largely successful as demonstrated by the significant improvement of the macroeconomic environment. That notwithstanding, there are both upside and downside risks in the near future. The final investment decision (FID) of major oil companies, for example, must be dealt with in a responsible and disciplined fiscal framework to avoid complacency regarding required further fiscal consolidation. In addition, the 2025 general elections could raise some political obstacles for further adjustments and reforms this year. That said, the authorities remain committed to consolidate the robust achievements in several areas, stay the course on securing macroeconomic stability and restoring fiscal sustainability, and strengthen the institutional framework to increase and enhance the economy’s capacity for properly absorb the upcoming oil and gas boom.